

105TH CONGRESS
2D SESSION

H. R. 4194

AN ACT

Making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes.

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Making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any
4 money in the Treasury not otherwise appropriated, for the
5 Departments of Veterans Affairs and Housing and Urban
6 Development, and for sundry independent agencies,
7 boards, commissions, corporations and offices for the fis-
8 cal year ending September 30, 1999, and for other pur-
9 poses, namely:

10 **DIVISION A—APPROPRIATIONS**

11 TITLE I

12 DEPARTMENT OF VETERANS AFFAIRS

13 VETERANS BENEFITS ADMINISTRATION

14 COMPENSATION AND PENSIONS

15 (INCLUDING TRANSFERS OF FUNDS)

16 For the payment of compensation benefits to or on
17 behalf of veterans and a pilot program for disability ex-
18 aminations as authorized by law (38 U.S.C. 107, chapters
19 11, 13, 18, 51, 53, 55, and 61); pension benefits to or
20 on behalf of veterans as authorized by law (38 U.S.C.
21 chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and bur-
22 ial benefits, emergency and other officers' retirement pay,
23 adjusted-service credits and certificates, payment of pre-
24 miums due on commercial life insurance policies guaran-
25 teed under the provisions of Article IV of the Soldiers'
26 and Sailors' Civil Relief Act of 1940, as amended, and

1 for other benefits as authorized by law (38 U.S.C. 107,
 2 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61;
 3 50 U.S.C. App. 540–548; 43 Stat. 122, 123; 45 Stat. 735;
 4 76 Stat. 1198), \$21,857,058,000, to remain available
 5 until expended: *Provided*, That not to exceed \$24,534,000
 6 of the amount appropriated shall be reimbursed to “Gen-
 7 eral operating expenses” and “Medical care” for necessary
 8 expenses in implementing those provisions authorized in
 9 the Omnibus Budget Reconciliation Act of 1990, and in
 10 the Veterans’ Benefits Act of 1992 (38 U.S.C. chapters
 11 51, 53, and 55), the funding source for which is specifi-
 12 cally provided as the “Compensation and pensions” appro-
 13 priation: *Provided further*, That such sums as may be
 14 earned on an actual qualifying patient basis, shall be reim-
 15 bursed to “Medical facilities revolving fund” to augment
 16 the funding of individual medical facilities for nursing
 17 home care provided to pensioners as authorized.

18 READJUSTMENT BENEFITS

19 For the payment of readjustment and rehabilitation
 20 benefits to or on behalf of veterans as authorized by 38
 21 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55,
 22 and 61, \$1,175,000,000, to remain available until ex-
 23 pended: *Provided*, That funds shall be available to pay any
 24 court order, court award or any compromise settlement
 25 arising from litigation involving the vocational training

1 program authorized by section 18 of Public Law 98–77,
2 as amended.

3 VETERANS INSURANCE AND INDEMNITIES

4 For military and naval insurance, national service life
5 insurance, servicemen’s indemnities, service-disabled vet-
6 erans insurance, and veterans mortgage life insurance as
7 authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72
8 Stat. 487, \$46,450,000, to remain available until ex-
9 pended.

10 VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM

11 ACCOUNT

12 (INCLUDING TRANSFER OF FUNDS)

13 For the cost of direct and guaranteed loans, such
14 sums as may be necessary to carry out the program, as
15 authorized by 38 U.S.C. chapter 37, as amended: *Pro-*
16 *vided*, That such costs, including the cost of modifying
17 such loans, shall be as defined in section 502 of the Con-
18 gressional Budget Act of 1974, as amended: *Provided fur-*
19 *ther*, That during fiscal year 1999, within the resources
20 available, not to exceed \$300,000 in gross obligations for
21 direct loans are authorized for specially adapted housing
22 loans: *Provided further*, That during 1999 any moneys
23 that would be otherwise deposited into or paid from the
24 Loan Guaranty Revolving Fund, the Guaranty and Indem-
25 nity Fund, or the Direct Loan Revolving Fund shall be
26 deposited into or paid from the Veterans Housing Benefit

1 Program Fund: *Provided further*, That any balances in the
2 Loan Guaranty Revolving Fund, the Guaranty and Indem-
3 nity Fund, or the Direct Loan Revolving Fund on the ef-
4 fective date of this Act may be transferred to and merged
5 with the Veterans Housing Benefit Program Fund.

6 In addition, for administrative expenses to carry out
7 the direct and guaranteed loan programs, \$159,121,000,
8 which may be transferred to and merged with the appro-
9 priation for “General operating expenses”.

10 EDUCATION LOAN FUND PROGRAM ACCOUNT
11 (INCLUDING TRANSFER OF FUNDS)

12 For the cost of direct loans, \$1,000, as authorized
13 by 38 U.S.C. 3698, as amended: *Provided*, That such
14 costs, including the cost of modifying such loans, shall be
15 as defined in section 502 of the Congressional Budget Act
16 of 1974, as amended: *Provided further*, That these funds
17 are available to subsidize gross obligations for the prin-
18 cipal amount of direct loans not to exceed \$3,000.

19 In addition, for administrative expenses necessary to
20 carry out the direct loan program, \$206,000, which may
21 be transferred to and merged with the appropriation for
22 “General operating expenses”.

23 VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT
24 (INCLUDING TRANSFER OF FUNDS)

25 For the cost of direct loans, \$55,000, as authorized
26 by 38 U.S.C. chapter 31, as amended: *Provided*, That such

1 costs, including the cost of modifying such loans, shall be
 2 as defined in section 502 of the Congressional Budget Act
 3 of 1974, as amended: *Provided further*, That these funds
 4 are available to subsidize gross obligations for the prin-
 5 cipal amount of direct loans not to exceed \$2,401,000.

6 In addition, for administrative expenses necessary to
 7 carry out the direct loan program, \$400,000, which may
 8 be transferred to and merged with the appropriation for
 9 “General operating expenses”.

10 NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM

11 ACCOUNT

12 (INCLUDING TRANSFER OF FUNDS)

13 For administrative expenses to carry out the direct
 14 loan program authorized by 38 U.S.C. chapter 37, sub-
 15 chapter V, as amended, \$515,000, which may be trans-
 16 ferred to and merged with the appropriation for “General
 17 operating expenses”.

18 VETERANS HEALTH ADMINISTRATION

19 MEDICAL CARE

20 (INCLUDING TRANSFER OF FUNDS)

21 For necessary expenses for the maintenance and op-
 22 eration of hospitals, nursing homes, and domiciliary facili-
 23 ties; for furnishing, as authorized by law, inpatient and
 24 outpatient care and treatment to beneficiaries of the De-
 25 partment of Veterans Affairs, including care and treat-
 26 ment in facilities not under the jurisdiction of the Depart-

1 ment; and furnishing recreational facilities, supplies, and
2 equipment; funeral, burial, and other expenses incidental
3 thereto for beneficiaries receiving care in the Department;
4 administrative expenses in support of planning, design,
5 project management, real property acquisition and disposi-
6 tion, construction and renovation of any facility under the
7 jurisdiction or for the use of the Department; oversight,
8 engineering and architectural activities not charged to
9 project cost; repairing, altering, improving or providing fa-
10 cilities in the several hospitals and homes under the juris-
11 diction of the Department, not otherwise provided for, ei-
12 ther by contract or by the hire of temporary employees
13 and purchase of materials; uniforms or allowances there-
14 for, as authorized by 5 U.S.C. 5901–5902; aid to State
15 homes as authorized by 38 U.S.C. 1741; administrative
16 and legal expenses of the Department for collecting and
17 recovering amounts owed the Department as authorized
18 under 38 U.S.C. chapter 17, and the Federal Medical
19 Care Recovery Act, 42 U.S.C. 2651 et seq.; and not to
20 exceed \$8,000,000 to fund cost comparison studies as re-
21 ferred to in 38 U.S.C. 8110(a)(5), \$17,057,396,000, plus
22 reimbursements: *Provided*, That of the funds made avail-
23 able under this heading, \$846,000,000 is for the equip-
24 ment and land and structures object classifications only,
25 which amount shall not become available for obligation

1 until August 1, 1999, and shall remain available until Sep-
 2 tember 30, 2000: *Provided further*, That of the funds
 3 made available under this heading, \$6,000,000 is for the
 4 Musculoskeletal Disease Center, which amount shall re-
 5 main available for obligation until expended: *Provided fur-*
 6 *ther*, That of the funds made available under this heading,
 7 not to exceed \$22,633,000 may be transferred to and
 8 merged with the appropriation for “General operating ex-
 9 penses”.

10 In addition, in conformance with Public Law 105–
 11 33 establishing the Department of Veterans Affairs Medi-
 12 cal Care Collections Fund, such sums as may be deposited
 13 to such Fund pursuant to 38 U.S.C. 1729A may be trans-
 14 ferred to this account, to remain available until expended
 15 for the purposes of this account.

16 MEDICAL AND PROSTHETIC RESEARCH

17 For necessary expenses in carrying out programs of
 18 medical and prosthetic research and development as au-
 19 thorized by 38 U.S.C. chapter 73, to remain available until
 20 September 30, 2000, \$310,000,000, plus reimbursements.

21 MEDICAL ADMINISTRATION AND MISCELLANEOUS

22 OPERATING EXPENSES

23 For necessary expenses in the administration of the
 24 medical, hospital, nursing home, domiciliary, construction,
 25 supply, and research activities, as authorized by law; ad-
 26 ministrative expenses in support of planning, design,

1 project management, architectural, engineering, real prop-
2 erty acquisition and disposition, construction and renova-
3 tion of any facility under the jurisdiction or for the use
4 of the Department of Veterans Affairs, including site ac-
5 quisition; engineering and architectural activities not
6 charged to project cost; and research and development in
7 building construction technology, \$60,000,000, plus reim-
8 bursements.

9 GENERAL POST FUND, NATIONAL HOMES

10 (INCLUDING TRANSFER OF FUNDS)

11 For the cost of direct loans, \$7,000, as authorized
12 by Public Law 102–54, section 8, which shall be trans-
13 ferred from the “General post fund”: *Provided*, That such
14 costs, including the cost of modifying such loans, shall be
15 as defined in section 502 of the Congressional Budget Act
16 of 1974, as amended: *Provided further*, That these funds
17 are available to subsidize gross obligations for the prin-
18 cipal amount of direct loans not to exceed \$70,000.

19 In addition, for administrative expenses to carry out
20 the direct loan programs, \$54,000, which shall be trans-
21 ferred from the “General post fund”, as authorized by
22 Public Law 102–54, section 8.

23 DEPARTMENTAL ADMINISTRATION

24 GENERAL OPERATING EXPENSES

25 For necessary operating expenses of the Department
26 of Veterans Affairs, not otherwise provided for, including

1 uniforms or allowances therefor; not to exceed \$25,000 for
 2 official reception and representation expenses; hire of pas-
 3 senger motor vehicles; and reimbursement of the General
 4 Services Administration for security guard services, and
 5 the Department of Defense for the cost of overseas em-
 6 ployee mail, \$855,661,000: *Provided*, That funds under
 7 this heading shall be available to administer the Service
 8 Members Occupational Conversion and Training Act.

9 NATIONAL CEMETERY SYSTEM

10 (INCLUDING TRANSFER OF FUNDS)

11 For necessary expenses for the maintenance and op-
 12 eration of the National Cemetery System, not otherwise
 13 provided for, including uniforms or allowances therefor;
 14 cemeterial expenses as authorized by law; purchase of six
 15 passenger motor vehicles for use in cemeterial operations;
 16 and hire of passenger motor vehicles, \$92,006,000: *Pro-*
 17 *vided*, That of the amount made available under this head-
 18 ing, not to exceed \$86,000 may be transferred to and
 19 merged with the appropriation for “General operating ex-
 20 penses”.

21 OFFICE OF INSPECTOR GENERAL

22 For necessary expenses of the Office of Inspector
 23 General in carrying out the Inspector General Act of 1978,
 24 as amended, \$32,702,000.

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is \$4,000,000 or more or where funds for a project were made available in a previous major project appropriation, \$143,000,000, to remain available until expended: *Provided*, That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: *Provided further*, That funds provided in this appropriation for fiscal year 1999, for each approved project shall be obligated: (1) by the awarding of a construction documents contract by September 30, 1999; and (2) by the awarding of a construction contract by September 30,

1 2000: *Provided further*, That the Secretary shall promptly
2 report in writing to the Committees on Appropriations any
3 approved major construction project in which obligations
4 are not incurred within the time limitations established
5 above: *Provided further*, That no funds from any other ac-
6 count except the “Parking revolving fund”, may be obli-
7 gated for constructing, altering, extending, or improving
8 a project which was approved in the budget process and
9 funded in this account until one year after substantial
10 completion and beneficial occupancy by the Department
11 of Veterans Affairs of the project or any part thereof with
12 respect to that part only.

13 CONSTRUCTION, MINOR PROJECTS

14 For constructing, altering, extending, and improving
15 any of the facilities under the jurisdiction or for the use
16 of the Department of Veterans Affairs, including plan-
17 ning, architectural and engineering services, maintenance
18 or guarantee period services costs associated with equip-
19 ment guarantees provided under the project, services of
20 claims analysts, offsite utility and storm drainage system
21 construction costs, and site acquisition, or for any of the
22 purposes set forth in sections 316, 2404, 2406, 8102,
23 8103, 8106, 8108, 8109, 8110, and 8122 of title 38,
24 United States Code, where the estimated cost of a project
25 is less than \$4,000,000, \$175,000,000 to remain available
26 until expended, along with unobligated balances of pre-

1 vious “Construction, minor projects” appropriations which
 2 are hereby made available for any project where the esti-
 3 mated cost is less than \$4,000,000: *Provided*, That funds
 4 in this account shall be available for: (1) repairs to any
 5 of the nonmedical facilities under the jurisdiction or for
 6 the use of the Department which are necessary because
 7 of loss or damage caused by any natural disaster or catas-
 8 trophe; and (2) temporary measures necessary to prevent
 9 or to minimize further loss by such causes.

10 PARKING REVOLVING FUND

11 For the parking revolving fund as authorized by 38
 12 U.S.C. 8109, income from fees collected, to remain avail-
 13 able until expended, which shall be available for all author-
 14 ized expenses except operations and maintenance costs,
 15 which will be funded from “Medical care”.

16 GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE 17 FACILITIES

18 For grants to assist States to acquire or construct
 19 State nursing home and domiciliary facilities and to re-
 20 model, modify or alter existing hospital, nursing home and
 21 domiciliary facilities in State homes, for furnishing care
 22 to veterans as authorized by 38 U.S.C. 8131–8137,
 23 \$80,000,000, to remain available until expended.

1 GRANTS FOR THE CONSTRUCTION OF STATE VETERANS
2 CEMETERIES

3 For grants to aid States in establishing, expanding,
4 or improving State veteran cemeteries as authorized by 38
5 U.S.C. 2408, \$10,000,000, to remain available until ex-
6 pended.

7 ADMINISTRATIVE PROVISIONS
8 (INCLUDING TRANSFER OF FUNDS)

9 SEC. 101. Any appropriation for fiscal year 1999 for
10 “Compensation and pensions”, “Readjustment benefits”,
11 and “Veterans insurance and indemnities” may be trans-
12 ferred to any other of the mentioned appropriations.

13 SEC. 102. Appropriations available to the Depart-
14 ment of Veterans Affairs for fiscal year 1999 for salaries
15 and expenses shall be available for services authorized by
16 5 U.S.C. 3109.

17 SEC. 103. No appropriations in this Act for the De-
18 partment of Veterans Affairs (except the appropriations
19 for “Construction, major projects”, “Construction, minor
20 projects”, and the “Parking revolving fund”) shall be
21 available for the purchase of any site for or toward the
22 construction of any new hospital or home.

23 SEC. 104. No appropriations in this Act for the De-
24 partment of Veterans Affairs shall be available for hos-
25 pitalization or examination of any persons (except bene-
26 ficiaries entitled under the laws bestowing such benefits

1 to veterans, and persons receiving such treatment under
2 5 U.S.C. 7901–7904 or 42 U.S.C. 5141–5204), unless re-
3 imbursement of cost is made to the “Medical care” ac-
4 count at such rates as may be fixed by the Secretary of
5 Veterans Affairs.

6 SEC. 105. Appropriations available to the Depart-
7 ment of Veterans Affairs for fiscal year 1999 for “Com-
8 pensation and pensions”, “Readjustment benefits”, and
9 “Veterans insurance and indemnities” shall be available
10 for payment of prior year accrued obligations required to
11 be recorded by law against the corresponding prior year
12 accounts within the last quarter of fiscal year 1998.

13 SEC. 106. Appropriations accounts available to the
14 Department of Veterans Affairs for fiscal year 1999 shall
15 be available to pay prior year obligations of corresponding
16 prior year appropriations accounts resulting from title X
17 of the Competitive Equality Banking Act, Public Law
18 100–86, except that if such obligations are from trust
19 fund accounts they shall be payable from “Compensation
20 and pensions”.

21 SEC. 107. Notwithstanding any other provision of
22 law, during fiscal year 1999, the Secretary of Veterans
23 Affairs shall, from the National Service Life Insurance
24 Fund (38 U.S.C. 1920), the Veterans’ Special Life Insur-
25 ance Fund (38 U.S.C. 1923), and the United States Gov-

1 ernment Life Insurance Fund (38 U.S.C. 1955), reim-
2 burse the “General operating expenses” account for the
3 cost of administration of the insurance programs financed
4 through those accounts: *Provided*, That reimbursement
5 shall be made only from the surplus earnings accumulated
6 in an insurance program in fiscal year 1999, that are
7 available for dividends in that program after claims have
8 been paid and actuarially determined reserves have been
9 set aside: *Provided further*, That if the cost of administra-
10 tion of an insurance program exceeds the amount of sur-
11 plus earnings accumulated in that program, reimburse-
12 ment shall be made only to the extent of such surplus
13 earnings: *Provided further*, That the Secretary shall deter-
14 mine the cost of administration for fiscal year 1999, which
15 is properly allocable to the provision of each insurance pro-
16 gram and to the provision of any total disability income
17 insurance included in such insurance program.

18 SEC. 108. In accordance with section 1557 of title
19 31, United States Code, the following obligated balances
20 shall be exempt from subchapter IV of chapter 15 of such
21 title and shall remain available for expenditure without fis-
22 cal year limitation: (1) funds obligated by the Department
23 of Veterans Affairs for lease numbers 084B–05–94,
24 084B–07–94, and 084B–027–94 from funds made avail-
25 able in the Departments of Veterans Affairs and Housing

1 and Urban Development, and Independent Agencies Ap-
2 propriations Act, 1994 (Public Law 103–124) under the
3 heading “Medical care”; and (2) funds obligated by the
4 Department of Veterans Affairs for lease number 084B–
5 002–96 from funds made available in the Departments of
6 Veterans Affairs and Housing and Urban Development,
7 and Independent Agencies Appropriations Act, 1995
8 (Public Law 103–327) under the heading “Medical care”.

9 SEC. 109. (a) IN GENERAL.—The Department of
10 Veterans Affairs medical center in Salisbury, North Caro-
11 lina, is hereby designated as the “W.G. (Bill) Hefner
12 Salisbury Department of Veterans Affairs Medical Cen-
13 ter”. Any reference to such center in any law, regulation,
14 map, document, record or other paper of the United States
15 shall be considered to be a reference to the “W.G. (Bill)
16 Hefner Salisbury Department of Veterans Affairs Medical
17 Center”.

18 (b) EFFECTIVE DATE.—The provisions of subsection
19 (a) are effective on the latter of the first day of the 106th
20 Congress or January 3, 1999.

1 TITLE II
2 DEPARTMENT OF HOUSING AND URBAN
3 DEVELOPMENT
4 PUBLIC AND INDIAN HOUSING
5 HOUSING CERTIFICATE FUND
6 (INCLUDING TRANSFERS OF FUNDS)

7 For activities and assistance to prevent the involun-
8 tary displacement of low-income families, the elderly and
9 the disabled because of the loss of affordable housing
10 stock, expiration of subsidy contracts (other than con-
11 tracts for which amounts are provided under another
12 heading in this Act) or expiration of use restrictions, or
13 other changes in housing assistance arrangements, and for
14 other purposes, \$10,240,542,030, to remain available until
15 expended: *Provided*, That of the total amount provided
16 under this heading, \$9,600,000,000 shall be for assistance
17 under the United States Housing Act of 1937 (42 U.S.C.
18 1437) for use in connection with expiring or terminating
19 section 8 subsidy contracts, for enhanced vouchers as pro-
20 vided under the “Preserving Existing Housing Invest-
21 ment” account in the Departments of Veterans Affairs
22 and Housing and Urban Development, and Independent
23 Agencies Appropriations Act, 1997 (Public Law 104–
24 204), and contracts entered into pursuant to section 441
25 of the Stewart B. McKinney Homeless Assistance Act:
26 *Provided further*, That the Secretary may determine not

1 to apply section 8(o)(6)(B) of the Act to housing vouchers
2 during fiscal year 1999: *Provided further*, That of the total
3 amount provided under this heading, \$97,000,000 shall be
4 for amendments to section 8 contracts other than con-
5 tracts for projects developed under section 202 of the
6 Housing Act of 1959, as amended: *Provided further*, That
7 of the total amount provided under this heading,
8 \$433,542,030 shall be for section 8 rental assistance
9 under the United States Housing Act of 1937 including
10 assistance to relocate residents of properties: (1) that are
11 owned by the Secretary and being disposed of; or (2) that
12 are discontinuing section 8 project-based assistance; for
13 relocation and replacement housing for units that are de-
14 molished or disposed of from the public housing inventory
15 (in addition to amounts that may be available for such
16 purposes under this and other headings); for the conver-
17 sion of section 23 projects to assistance under section 8;
18 for funds to carry out the family unification program; and
19 for the relocation of witnesses in connection with efforts
20 to combat crime in public and assisted housing pursuant
21 to a request from a law enforcement or prosecution agen-
22 cy: *Provided further*, That of the total amount made avail-
23 able in the preceding proviso, \$40,000,000 shall be made
24 available to nonelderly disabled families affected by the
25 designation of a public housing development under section

1 7 of such Act, the establishment of preferences in accord-
2 ance with section 651 of the Housing and Community De-
3 velopment Act of 1992 (42 U.S.C. 1361l), or the restric-
4 tion of occupancy to elderly families in accordance with
5 section 658 of such Act, and to the extent the Secretary
6 determines that such amount is not needed to fund appli-
7 cations for such affected families, to other nonelderly dis-
8 abled families: *Provided further*, That the amount made
9 available under the fifth proviso under the heading “Pre-
10 vention of Resident Displacement” in title II of the De-
11 partments of Veterans Affairs and Housing and Urban
12 Development, and Independent Agencies Appropriations
13 Act, 1997, Public Law 104–204, shall also be made avail-
14 able to nonelderly disabled families affected by the restric-
15 tion of occupancy to elderly families in accordance with
16 section 658 of the Housing and Community Development
17 Act of 1992: *Provided further*, That to the extent the Sec-
18 retary determines that the amount made available under
19 the fifth proviso under the heading “Prevention of Resi-
20 dent Displacement” in title II of the Departments of Vet-
21 erans Affairs and Housing and Urban Development, and
22 Independent Agencies Appropriations Act, 1997, Public
23 Law 104–204, is not needed to fund applications for af-
24 fected families described in the fifth proviso, or in the pre-
25 ceding proviso under this heading in this Act, the amount

1 not needed shall be made available to other nonelderly dis-
2 abled families: *Provided further*, That of the total amount
3 provided under this heading, \$10,000,000 shall be for Re-
4 gional Opportunity Counseling: *Provided further*, That all
5 balances, as of September 30, 1998, remaining in the
6 “Prevention of Resident Displacement” account shall be
7 transferred to and merged with the amounts provided for
8 those purposes under this heading.

9 For tenant-based assistance under the United States
10 Housing Act of 1937 to help eligible families make the
11 transition from welfare to work, \$100,000,000 from the
12 total amount provided under this heading, to be adminis-
13 tered by public housing agencies (including Indian housing
14 authorities, as defined by the Secretary of Housing and
15 Urban Development), and to remain available until ex-
16 pended: *Provided*, That families initially selected to receive
17 assistance under this paragraph: (1) shall be eligible to
18 receive, shall be currently receiving, or shall have received
19 within the preceding year, assistance or services funded
20 under the Temporary Assistance for Needy Families
21 (TANF) program under part A of title IV of the Social
22 Security Act or as part of a State’s qualified State expend-
23 iture under section 409(a)(7)(B)(i) of such Act; (2) shall
24 be determined by the agency to be families for which ten-
25 ant-based housing assistance is critical to successfully ob-

1 taining or retaining employment; and (3) shall not already
2 be receiving tenant-based assistance: *Provided further*,
3 That each application shall: (1) describe the proposed pro-
4 gram, which shall be developed by the public housing agen-
5 cy in consultation with the State, local or Tribal entity
6 administering the TANF program and the entity, if any,
7 administering the Welfare-to-Work grants allocated by the
8 United States Department of Labor pursuant to section
9 403(a)(5)(A) of the Social Security Act, and which shall
10 take into account the particular circumstances of the com-
11 munity; (2) demonstrate that tenant-based housing assist-
12 ance is critical to the success of assisting eligible families
13 to obtain or retain employment; (3) specify the criteria
14 for selecting among eligible families to receive housing as-
15 sistance under this paragraph; (4) describe the proposed
16 strategy for tenant counseling and housing search assist-
17 ance and landlord outreach; (5) include any requests for
18 waivers of any administrative requirements or any provi-
19 sions of the United States Housing Act of 1937, with a
20 demonstration of how approval of the waivers would sub-
21 stantially further the objective of this paragraph; (6) in-
22 clude certifications from the State, local, or Tribal entity
23 administering assistance under the TANF program and
24 from the entity, if any, administering the Welfare-to-Work
25 grants allocated by the United States Department of

1 Labor, that the entity supports the proposed program and
2 will cooperate with the public housing agency that admin-
3 isters the housing assistance to assure that such assist-
4 ance is coordinated with other welfare reform and welfare
5 to work initiatives; however, if either does not respond to
6 the public housing agency within a reasonable time period,
7 its concurrence shall be assumed, and if either objects to
8 the application, its concerns shall accompany the applica-
9 tion to the Secretary, who shall take them into account
10 in this funding decision; and (7) include such other infor-
11 mation as the Secretary may require and meet such other
12 requirements as the Secretary may establish: *Provided fur-*
13 *ther*, That the Secretary, after consultation with the Sec-
14 retary of Health and Human Services and the Secretary
15 of Labor, shall select public housing agencies to receive
16 assistance under this paragraph on a competitive basis,
17 taking into account the need for and quality of the pro-
18 posed program (including innovative approaches), the ex-
19 tent to which the assistance will be coordinated with wel-
20 fare reform and welfare to work initiatives, the extent to
21 which the application demonstrates that tenant-based as-
22 sistance is critical to the success of assisting eligible fami-
23 lies to obtain or retain employment; and other appropriate
24 criteria established by the Secretary: *Provided further*,
25 That the Secretary may waive any administrative require-

1 ment or any provision of the United States Housing Act
 2 of 1937 if the Secretary determines that the waiver would
 3 substantially further the objective of the assistance under
 4 this paragraph, and in the event of any waiver, may make
 5 provision for alternative conditions or terms where appro-
 6 priate: *Provided further*, That the Secretary may use up
 7 to one percent of the amount available under this para-
 8 graph, directly or indirectly, to conduct detailed evalua-
 9 tions of the effect of providing assistance under this para-
 10 graph.

11 PUBLIC HOUSING CAPITAL FUND
 12 (INCLUDING TRANSFERS OF FUNDS)

13 For the Public Housing Capital Fund Program for
 14 modernization of existing public housing projects as au-
 15 thorized under section 14 of the United States Housing
 16 Act of 1937, as amended (42 U.S.C. 1437),
 17 \$3,000,000,000, to remain available until expended: *Pro-*
 18 *vided*, That of the total amount, up to \$100,000,000 shall
 19 be for carrying out activities under section 6(j) of such
 20 Act and technical assistance for the inspection of public
 21 housing units, contract expertise, and training and tech-
 22 nical assistance directly or indirectly, under grants, con-
 23 tracts, or cooperative agreements, to assist in the over-
 24 sight and management of public housing (whether or not
 25 the housing is being modernized with assistance under this
 26 proviso) or tenant-based assistance, including, but not lim-

1 ited to, an annual resident survey, data collection and
 2 analysis, training and technical assistance by or to officials
 3 and employees of the Department and of public housing
 4 agencies and to residents in connection with the public
 5 housing programs and for lease adjustments to section 23
 6 projects: *Provided further*, That of the amount available
 7 under this heading, up to \$5,000,000 shall be for the Ten-
 8 ant Opportunity Program: *Provided further*, That all bal-
 9 ances, as of September 30, 1998, of funds heretofore pro-
 10 vided for section 673 public housing service coordinators
 11 shall be transferred to and merged with amounts made
 12 available under this heading.

13 PUBLIC HOUSING OPERATING FUND

14 For payments to public housing agencies for operat-
 15 ing subsidies for low-income housing projects as author-
 16 ized by section 9 of the United States Housing Act of
 17 1937, as amended (42 U.S.C. 1437g), \$2,818,000,000, to
 18 remain available until expended.

19 DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING
 20 (INCLUDING TRANSFER OF FUNDS)

21 For grants to public housing agencies and tribally
 22 designated housing entities for use in eliminating crime
 23 in public housing projects authorized by 42 U.S.C. 11901–
 24 11908, for grants for federally assisted low-income hous-
 25 ing authorized by 42 U.S.C. 11909, and for drug informa-
 26 tion clearinghouse services authorized by 42 U.S.C.

1 11921–11925, \$290,000,000, to remain available until ex-
 2 pended, of which \$10,000,000 shall be for grants, tech-
 3 nical assistance, contracts and other assistance, training,
 4 and program assessment and execution for or on behalf
 5 of public housing agencies, resident organizations, and In-
 6 dian tribes and their tribally designated housing entities
 7 (including the cost of necessary travel for participants in
 8 such training), \$10,000,000 shall be used in connection
 9 with efforts to combat violent crime in public and assisted
 10 housing under the Operation Safe Home program admin-
 11 istered by the Inspector General of the Department of
 12 Housing and Urban Development; and \$10,000,000 shall
 13 be provided to the Office of Inspector General for Oper-
 14 ation Safe Home: *Provided further*, That the term “drug-
 15 related crime”, as defined in 42 U.S.C. 11905(2), shall
 16 also include other types of crime as determined by the Sec-
 17 retary: *Provided further*, That notwithstanding section
 18 5130(c) of the Anti-Drug Abuse Act of 1988 (42 U.S.C.
 19 11909(c)), the Secretary may determine not to use any
 20 such funds to provide public housing youth sports grants.

21 REVITALIZATION OF SEVERELY DISTRESSED PUBLIC

22 HOUSING (HOPE VI)

23 For grants to public housing agencies for assisting
 24 in the demolition of obsolete public housing projects or
 25 portions thereof, the revitalization (where appropriate) of
 26 sites (including remaining public housing units) on which

1 such projects are located, replacement housing which will
2 avoid or lessen concentrations of very low-income families,
3 and tenant-based assistance in accordance with section 8
4 of the United States Housing Act of 1937; and for provid-
5 ing replacement housing and assisting tenants displaced
6 by the demolition (including appropriate homeownership
7 down payment assistance for displaced tenants),
8 \$600,000,000, to remain available until expended, of
9 which the Secretary may use up to \$10,000,000 for tech-
10 nical assistance and contract expertise, to be provided di-
11 rectly or indirectly by grants, contracts or cooperative
12 agreements, including training and cost of necessary travel
13 for participants in such training, by or to officials and em-
14 ployees of the Department and of public housing agencies
15 and to residents: *Provided*, That no funds appropriated
16 under this heading shall be used for any purpose that is
17 not provided for herein, in the United States Housing Act
18 of 1937, in the Appropriations Acts for the Departments
19 of Veterans Affairs and Housing and Urban Development,
20 and Independent Agencies, for the fiscal years 1993,
21 1994, 1995, 1997, and 1998, and the Omnibus Consoli-
22 dated Rescissions and Appropriations Act of 1996: *Pro-*
23 *vided further*, That for purposes of environmental review
24 pursuant to the National Environmental Policy Act of
25 1969, a grant under this heading or under prior appro-

1 priations Acts for use for the purposes under this heading
 2 shall be treated as assistance under title I of the United
 3 States Housing Act of 1937 and shall be subject to the
 4 regulations issued by the Secretary to implement section
 5 26 of such Act: *Provided further*, That none of such funds
 6 shall be used directly or indirectly by granting competitive
 7 advantage in awards to settle litigation or pay judgments,
 8 unless expressly permitted herein.

9 NATIVE AMERICAN HOUSING BLOCK GRANTS

10 (INCLUDING TRANSFERS OF FUNDS)

11 For the Native American Housing Block Grants pro-
 12 gram, as authorized under title I of the Native American
 13 Housing Assistance and Self-Determination Act of 1996
 14 (Public Law 104–330), \$620,000,000, to remain available
 15 until expended, of which \$6,000,000 shall be used to sup-
 16 port the inspection of Indian housing units, contract ex-
 17 pertise, training, and technical assistance in the oversight
 18 and management of Indian housing and tenant-based as-
 19 sistance, including up to \$200,000 for related travel: *Pro-*
 20 *vided*, That of the amount provided under this heading,
 21 \$6,000,000 shall be made available for the cost of guaran-
 22 teed notes and other obligations, as authorized by title VI
 23 of the Native American Housing Assistance and Self-De-
 24 termination Act of 1996: *Provided, further*, That such
 25 costs, including the costs of modifying such notes and
 26 other obligations, shall be as defined in section 502 of the

1 Congressional Budget Act of 1974, as amended: *Provided*,
2 *further*, That these funds are available to subsidize the
3 total principal amount of any notes and other obligations,
4 any part of which is to be guaranteed, not to exceed
5 \$54,600,000.

6 In addition, for administrative expenses to carry out
7 the guaranteed loan program, up to \$200,000, which shall
8 be transferred to and merged with the appropriation for
9 departmental salaries and expenses, to be used only for
10 the administrative costs of these guarantees: *Provided*,
11 That the funds made available in the first proviso in the
12 preceding paragraph are for a demonstration on ways to
13 enhance economic growth, to increase access to private
14 capital, and to encourage the investment and participation
15 of traditional financial institutions in tribal and other Na-
16 tive American areas.

17 INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM
18 ACCOUNT
19 (INCLUDING TRANSFER OF FUNDS)

20 For the cost of guaranteed loans, as authorized by
21 section 184 of the Housing and Community Development
22 Act of 1992 (106 Stat. 3739), \$6,000,000, to remain
23 available until expended: *Provided*, That such costs, in-
24 cluding the costs of modifying such loans, shall be as de-
25 fined in section 502 of the Congressional Budget Act of
26 1974, as amended: *Provided further*, That these funds are

1 available to subsidize total loan principal, any part of
 2 which is to be guaranteed, not to exceed \$68,881,000.

3 In addition, for administrative expenses to carry out
 4 the guaranteed loan program, up to \$400,000, which shall
 5 be transferred to and merged with the appropriation for
 6 departmental salaries and expenses, to be used only for
 7 the administrative costs of these guarantees.

8 COMMUNITY PLANNING AND DEVELOPMENT

9 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

10 For carrying out the Housing Opportunities for Per-
 11 sons with AIDS program, as authorized by the AIDS
 12 Housing Opportunity Act (42 U.S.C. 12901),
 13 \$225,000,000, to remain available until expended: *Pro-*
 14 *vided*, That up to 1 percent of such funds shall be avail-
 15 able to the Secretary for technical assistance.

16 COMMUNITY DEVELOPMENT BLOCK GRANTS

17 (INCLUDING TRANSFER OF FUNDS)

18 For grants to States and units of general local gov-
 19 ernment and for related expenses, not otherwise provided
 20 for, to carry out a community development grants pro-
 21 gram as authorized by title I of the Housing and Commu-
 22 nity Development Act of 1974, as amended (the “Act”
 23 herein) (42 U.S.C. 5301), \$4,725,000,000, to remain
 24 available until September 30, 2001: *Provided*, That
 25 \$67,000,000 shall be for grants to Indian tribes notwith-
 26 standing section 106(a)(1) of such Act, \$3,000,000 shall

1 be available as a grant to the Housing Assistance Council,
2 \$1,800,000 shall be available as a grant to the National
3 American Indian Housing Council, \$50,000,000 shall be
4 for grants pursuant to section 107 of the Act,
5 \$20,000,000 shall be for grants pursuant to the Self Help
6 Housing Opportunity program, subject to authorization:
7 *Provided further*, That not to exceed 20 percent of any
8 grant made with funds appropriated herein (other than
9 a grant made available under the preceding proviso to the
10 Housing Assistance Council or the National American In-
11 dian Housing Council, or a grant using funds under sec-
12 tion 107(b)(3) of the Housing and Community Develop-
13 ment Act of 1974, as amended) shall be expended for
14 “Planning and Management Development” and “Adminis-
15 tration” as defined in regulations promulgated by the De-
16 partment.

17 Of the amount made available under this heading,
18 \$20,000,000 shall be available for Economic Development
19 Grants, as authorized by section 108(q) of the Housing
20 and Community Development Act of 1974, as amended,
21 for Brownfields redevelopment projects: *Provided*, That
22 the Secretary of Housing and Urban Development shall
23 make these grants available on a competitive basis as spec-
24 ified in section 102 of the Department of Housing and
25 Urban Development Reform Act of 1989.

1 Of the amount made available under this heading,
2 \$30,000,000 shall be made available for “capacity building
3 for community development and affordable housing”, as
4 authorized by section 4 of the HUD Demonstration Act
5 of 1993 (Public Law 103–120), with not less than
6 \$10,000,000 of the funding to be used in rural areas, in-
7 cluding tribal areas, to be divided equally among four enti-
8 ties, as specified in the report of the Appropriations Com-
9 mittee accompanying this Act.

10 Of the amount provided under this heading, the Sec-
11 retary of Housing and Urban Development may use up
12 to \$50,000,000 for a public and assisted housing self-suf-
13 ficiency program, of which up to \$5,000,000 may be used
14 for the Moving to Work Demonstration, and at least
15 \$20,000,000 shall be used for grants for service coordina-
16 tors and congregate services for the elderly and disabled:
17 *Provided*, That for self-sufficiency activities, the Secretary
18 may make grants to public housing agencies (including In-
19 dian tribes and their tribally designated housing entities),
20 nonprofit corporations, and other appropriate entities for
21 a supportive services program to assist residents of public
22 and assisted housing, former residents of such housing re-
23 ceiving tenant-based assistance under section 8 of such
24 Act (42 U.S.C. 1437f), and other low-income families and
25 individuals: *Provided further*, That the program shall pro-

1 vide supportive services, principally for the benefit of pub-
2 lic housing residents, to the elderly and the disabled, and
3 to families with children where the head of household
4 would benefit from the receipt of supportive services and
5 is working, seeking work, or is preparing for work by par-
6 ticipating in job training or educational programs: *Pro-*
7 *vided further*, That the supportive services may include
8 congregate services for the elderly and disabled, service co-
9 ordinators, and coordinated education, training, and other
10 supportive services, including case management skills
11 training, job search assistance, assistance related to re-
12 training employment, vocational and entrepreneurship de-
13 velopment and support programs, such as transportation,
14 and child care: *Provided further*, That the Secretary shall
15 require applications to demonstrate firm commitments of
16 funding or services from other sources: *Provided further*,
17 That the Secretary shall select public and Indian housing
18 agencies to receive assistance under this heading on a
19 competitive basis, taking into account the quality of the
20 proposed program, including any innovative approaches,
21 the extent of the proposed coordination of supportive serv-
22 ices, the extent of commitments of funding or services
23 from other sources, the extent to which the proposed pro-
24 gram includes reasonably achievable, quantifiable goals for
25 measuring performance under the program over a three-

1 year period, the extent of success an agency has had in
2 carrying out other comparable initiatives, and other appro-
3 priate criteria established by the Secretary (except that
4 this proviso shall not apply to renewal of grants for service
5 coordinators and congregate services for the elderly and
6 disabled).

7 Of the amount made available under this heading,
8 notwithstanding any other provision of law, \$35,000,000
9 shall be available for YouthBuild program activities au-
10 thorized by subtitle D of title IV of the Cranston-Gonzalez
11 National Affordable Housing Act, as amended, and such
12 activities shall be an eligible activity with respect to any
13 funds made available under this heading: *Provided*, That
14 local YouthBuild programs that demonstrate an ability to
15 leverage private and nonprofit funding shall be given a pri-
16 ority for YouthBuild funding.

17 Of the amount made available under this heading,
18 \$50,000,000 shall be available for the Economic Develop-
19 ment Initiative (EDI).

20 Of the amount made available under this heading,
21 \$25,000,000 shall be available for neighborhood initiatives
22 that are utilized to improve the conditions of distressed
23 and blighted areas and neighborhoods, and to determine
24 whether housing benefits can be integrated more effec-
25 tively with welfare reform initiatives.

1 For the cost of guaranteed loans, \$29,000,000, as au-
2 thorized by section 108 of the Housing and Community
3 Development Act of 1974: *Provided*, That such costs, in-
4 cluding the cost of modifying such loans, shall be as de-
5 fined in section 502 of the Congressional Budget Act of
6 1974, as amended: *Provided further*, That these funds are
7 available to subsidize total loan principal, any part of
8 which is to be guaranteed, not to exceed \$1,261,000,000,
9 notwithstanding any aggregate limitation on outstanding
10 obligations guaranteed in section 108(k) of the Housing
11 and Community Development Act of 1974: *Provided fur-*
12 *ther*, That in addition, for administrative expenses to carry
13 out the guaranteed loan program, \$1,000,000, which shall
14 be transferred to and merged with the appropriation for
15 departmental salaries and expenses.

16 HOME INVESTMENT PARTNERSHIPS PROGRAM

17 For the HOME investment partnerships program, as
18 authorized under title II of the Cranston-Gonzalez Na-
19 tional Affordable Housing Act (Public Law 101-625), as
20 amended, \$1,600,000,000, to remain available until ex-
21 pended: *Provided*, That up to \$7,000,000 of these funds
22 shall be available for the development and operation of in-
23 tegrated community development management informa-
24 tion systems: *Provided further*, That up to \$10,000,000
25 of these funds shall be available for Housing Counseling

1 under section 106 of the Housing and Urban Development
2 Act of 1968.

3 HOMELESS ASSISTANCE GRANTS

4 For the emergency shelter grants program (as au-
5 thorized under subtitle B of title IV of the Stewart B.
6 McKinney Homeless Assistance Act, as amended); the
7 supportive housing program (as authorized under subtitle
8 C of title IV of such Act); the section 8 moderate rehabili-
9 tation single room occupancy program (as authorized
10 under the United States Housing Act of 1937, as amend-
11 ed) to assist homeless individuals pursuant to section 441
12 of the Stewart B. McKinney Homeless Assistance Act; and
13 the shelter plus care program (as authorized under sub-
14 title F of title IV of such Act), \$975,000,000, to remain
15 available until expended: *Provided*, That permanent hous-
16 ing assisted under the supportive housing program with
17 amounts provided under this heading in this Act shall be
18 given to chronically homeless individuals and families who
19 have, or who include members who have, chronic disabil-
20 ities, including substance and alcohol abuse, and mental
21 illness and other chronic health conditions: *Provided fur-*
22 *ther*, That any permanent housing assisted under this
23 heading shall be provided only if supportive services are
24 linked to the individuals living in the housing: *Provided*
25 *further*, That the Secretary of Housing and Urban Devel-
26 opment shall conduct a review of any balances of amounts

1 provided under this heading in this or any previous appro-
2 priation Act that have been obligated but remain unex-
3 pended and shall deobligate any such amounts that the
4 Secretary determines were obligated for contracts that are
5 unlikely to be performed: *Provided further*, That up to one
6 percent of the funds appropriated under this heading may
7 be used for technical assistance and tracking systems
8 needed to carry out the directive provided in the Commit-
9 tee Report.

10 HOUSING FOR SPECIAL POPULATIONS

11 For assistance for the purchase, construction, acqui-
12 sition, or development of additional public and subsidized
13 housing units for low-income families under the United
14 States Housing Act of 1937, as amended (42 U.S.C
15 1437), not otherwise provided for, \$839,000,000, to re-
16 main available until expended: *Provided*, That of the total
17 amount provided under this heading, \$645,000,000 shall
18 be for capital advances, including amendments to capital
19 advance contracts, for housing for the elderly, as author-
20 ized by section 202 of the Housing Act of 1959, as amend-
21 ed, and for project rental assistance, and amendments to
22 contracts for project rental assistance, for the elderly
23 under section 202(c)(2) of the Housing Act of 1959, and
24 for supportive services associated with the housing; and
25 \$194,000,000 shall be for capital advances, including
26 amendments to capital advance contracts, for supportive

1 housing for persons with disabilities, as authorized by sec-
 2 tion 811 of the Cranston-Gonzalez National Affordable
 3 Housing Act, for project rental assistance, for amend-
 4 ments to contracts for project rental assistance, and sup-
 5 portive services associated with the housing for persons
 6 with disabilities as authorized by section 811 of such Act:
 7 *Provided further*, That the Secretary may designate up to
 8 25 percent of the amounts for section 811 of such Act
 9 for tenant-based assistance, as authorized under that sec-
 10 tion, including such authority as may be waived under the
 11 next proviso, which assistance shall be for five years in
 12 duration: *Provided further*, That the Secretary may waive
 13 any provision of section 202 of the Housing Act of 1959
 14 or section 811 of the Cranston-Gonzalez National Afford-
 15 able Housing Act (including the provisions governing the
 16 terms and conditions of project rental assistance and ten-
 17 ant-based assistance) that the Secretary determines is not
 18 necessary to achieve the respective objectives of these pro-
 19 grams, or that otherwise impedes the ability to develop,
 20 operate or administer projects assisted under these pro-
 21 grams, and may make provision for alternative conditions
 22 or terms where appropriate.

23 FLEXIBLE SUBSIDY FUND

24 (TRANSFER OF FUNDS)

25 From the Rental Housing Assistance Fund, all un-
 26 committed balances of excess rental charges as of Septem-

ber 30, 1998, and any collections made during fiscal year 1999, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM

ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 1999, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of \$110,000,000,000.

During fiscal year 1999, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed \$50,000,000: *Provided*, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, \$328,888,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed \$324,866,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which not to

1 exceed \$4,022,000 shall be transferred to the appropria-
2 tion for the Office of Inspector General.

3 In addition, for non-overhead administrative expenses
4 necessary to carry out the Mutual Mortgage Insurance
5 guarantee and direct loan program, \$200,000,000, to be
6 derived from the FHA-mutual mortgage insurance guar-
7 anteed loan receipt account.

8 FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT
9 (INCLUDING TRANSFERS OF FUNDS)

10 For the cost of guaranteed loans, as authorized by
11 sections 238 and 519 of the National Housing Act (12
12 U.S.C. 1715z–3 and 1735c), including the cost of loan
13 guarantee modifications (as that term is defined in section
14 502 of the Congressional Budget Act of 1974, as amend-
15 ed), \$81,000,000, to remain available until expended: *Pro-*
16 *vided*, That these funds are available to subsidize total
17 loan principal, any part of which is to be guaranteed, of
18 up to \$18,100,000,000.

19 Gross obligations for the principal amount of direct
20 loans, as authorized by sections 204(g), 207(l), 238, and
21 519(a) of the National Housing Act, shall not exceed
22 \$50,000,000; of which not to exceed \$30,000,000 shall be
23 for bridge financing in connection with the sale of multi-
24 family real properties owned by the Secretary and for-
25 merly insured under such Act; and of which not to exceed
26 \$20,000,000 shall be for loans to nonprofit and govern-

1 mental entities in connection with the sale of single-family
2 real properties owned by the Secretary and formerly in-
3 sured under such Act.

4 In addition, for administrative expenses necessary to
5 carry out the guaranteed and direct loan programs,
6 \$211,455,000, of which \$193,134,000, shall be trans-
7 ferred to the appropriation for departmental salaries and
8 expenses; and of which \$18,321,000 shall be transferred
9 to the appropriation for the Office of Inspector General.

10 In addition, for non-overhead administrative expenses
11 necessary to carry out the guaranteed and direct loan pro-
12 grams, \$104,000,000.

13 GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
14 GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN
15 GUARANTEE PROGRAM ACCOUNT
16 (INCLUDING TRANSFER OF FUNDS)

17 During fiscal year 1999, new commitments to issue
18 guarantees to carry out the purposes of section 306 of the
19 National Housing Act, as amended (12 U.S.C. 1721(g)),
20 shall not exceed \$150,000,000,000.

21 For administrative expenses necessary to carry out
22 the guaranteed mortgage-backed securities program,
23 \$9,383,000, to be derived from the GNMA-guarantees of
24 mortgage-backed securities guaranteed loan receipt ac-
25 count, of which not to exceed \$9,383,000 shall be trans-

1 ferred to the appropriation for departmental salaries and
2 expenses.

3 POLICY DEVELOPMENT AND RESEARCH

4 RESEARCH AND TECHNOLOGY

5 For contracts, grants, and necessary expenses of pro-
6 grams of research and studies relating to housing and
7 urban problems, not otherwise provided for, as authorized
8 by title V of the Housing and Urban Development Act
9 of 1970, as amended (12 U.S.C. 1701z-1 et seq.), includ-
10 ing carrying out the functions of the Secretary under sec-
11 tion 1(a)(1)(i) of Reorganization Plan No. 2 of 1968,
12 \$47,500,000, to remain available until September 30,
13 2000, of which \$10,000,000 shall be for activities to sup-
14 port the Partnership for Advanced Technologies in Hous-
15 ing.

16 FAIR HOUSING AND EQUAL OPPORTUNITY

17 FAIR HOUSING ACTIVITIES

18 For contracts, grants, and other assistance, not oth-
19 erwise provided for, as authorized by title VIII of the Civil
20 Rights Act of 1968, as amended by the Fair Housing
21 Amendments Act of 1988, and section 561 of the Housing
22 and Community Development Act of 1987, as amended,
23 \$40,000,000, to remain available until September 30,
24 2000, of which \$23,500,000 shall be to carry out activities
25 pursuant to such section 561: *Provided*, That no funds

1 made available under this heading shall be used to lobby
 2 the executive or legislative branches of the Federal Gov-
 3 ernment in connection with a specific contract, grant or
 4 loan.

5 OFFICE OF LEAD HAZARD CONTROL

6 LEAD HAZARD REDUCTION

7 For the Lead Hazard Reduction Program, as author-
 8 ized by sections 1011 and 1053 of the Residential Lead-
 9 Based Hazard Reduction Act of 1992, \$80,000,000 to re-
 10 main available until expended, of which \$2,500,000 shall
 11 be for CLEARCorps and \$20,000,000 shall be for a
 12 Healthy Homes Initiative, which shall be a program pur-
 13 suant to sections 501 and 502 of the Housing and Urban
 14 Development Act of 1970 that shall include research,
 15 studies, testing, and demonstration efforts, including edu-
 16 cation and outreach concerning lead-based paint poisoning
 17 and other housing-related environmental diseases and haz-
 18 ards.

19 MANAGEMENT AND ADMINISTRATION

20 SALARIES AND EXPENSES

21 (INCLUDING TRANSFER OF FUNDS)

22 For necessary administrative and nonadministrative
 23 expenses of the Department of Housing and Urban Devel-
 24 opment not otherwise provided for, including not to exceed
 25 \$7,000 for official reception and representation expenses,
 26 \$985,826,000, of which \$518,000,000 shall be provided

1 from the various funds of the Federal Housing Adminis-
 2 tration, \$9,383,000 shall be provided from funds of the
 3 Government National Mortgage Association, \$1,000,000
 4 shall be provided from the “Community Development
 5 Grants Program” account, \$200,000 shall be provided
 6 from the “Native American Housing Block Grants” ac-
 7 count, and \$400,000 shall be provided from the “Indian
 8 Housing Loan Guarantee Fund Program Account”.

9 OFFICE OF INSPECTOR GENERAL

10 (INCLUDING TRANSFER OF FUNDS)

11 For necessary expenses of the Office of Inspector
 12 General in carrying out the Inspector General Act of 1978,
 13 as amended, \$81,910,000, of which \$22,343,000 shall be
 14 provided from the various funds of the Federal Housing
 15 Administration and \$10,000,000 shall be provided from
 16 the amount earmarked for Operation Safe Home in the
 17 “Drug Elimination Grants for Low-Income Housing” ac-
 18 count.

19 OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

20 SALARIES AND EXPENSES

21 (INCLUDING TRANSFER OF FUNDS)

22 For carrying out the Federal Housing Enterprise Fi-
 23 nancial Safety and Soundness Act of 1992, \$16,551,000,
 24 to remain available until expended, to be derived from the
 25 Federal Housing Enterprise Oversight Fund: *Provided*,
 26 That not to exceed such amount shall be available from

1 the General Fund of the Treasury to the extent necessary
2 to incur obligations and make expenditures pending the
3 receipt of collections to the Fund: *Provided further*, That
4 the General Fund amount shall be reduced as collections
5 are received during the fiscal year so as to result in a final
6 appropriation from the General Fund estimated at not
7 more than \$0.

8 ADMINISTRATIVE PROVISIONS

9 PUBLIC AND ASSISTED HOUSING RENTS, PREFERENCES,
10 AND FLEXIBILITY

11 SEC. 201. (a) Section 402(a) of The Balanced Budg-
12 et Downpayment Act, I (Public Law 104–99; (110 Stat.
13 40)) is amended by striking “fiscal years 1997 and 1998”
14 and inserting “fiscal years 1997, 1998, and 1999”.

15 (b) Section 402(f) of The Balanced Budget Downpay-
16 ment Act, I (42 U.S.C. 1437aa note) is amended by in-
17 serting before the period at the end the following: “, except
18 that subsection (d) and the amendments made by such
19 subsection shall also be effective for fiscal year 1999”.

20 (c) Section 201(a)(2) of the Departments of Veterans
21 Affairs and Housing and Urban Development, and Inde-
22 pendent Agencies Appropriations Act, 1996 (42 U.S.C.
23 1437l note), is amended to read as follows:

24 “(2) APPLICABILITY.—Section 14(q) of the
25 United States Housing Act of 1937 shall be effective
26 only with respect to assistance provided from funds

SEC. 202. Section 403(c) of The Balanced Budget
Downpayment Act, I (Public Law 104–99; (110 Stat. 44))
is amended—

14 (2) by striking “1997 and October” and insert-
15 ing “1997, October”; and

19 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

SEC. 203. (a) ELIGIBILITY.—Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year 1999 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in

1 the amount determined under subsection (b), for any
2 State that—

3 (1) received an allocation in a prior fiscal year
4 under clause (ii) of such section; and

5 (2) is not otherwise eligible for an allocation for
6 fiscal year 1999 under such clause (ii) because the
7 areas in the State outside of the metropolitan statis-
8 tical areas that qualify under clause (i) in fiscal year
9 1999 do not have the number of cases of acquired
10 immunodeficiency syndrome required under such
11 clause.

12 (b) AMOUNT.—The amount of the allocation and
13 grant for any State described in subsection (a) shall be
14 an amount based on the cumulative number of AIDS cases
15 in the areas of that State that are outside of metropolitan
16 statistical areas that qualify under clause (i) of such sec-
17 tion 854(c)(1)(A) in fiscal year 1999 in proportion to
18 AIDS cases among cities and States that qualify under
19 clauses (i) and (ii) of such section and States deemed eligi-
20 ble under subsection (a).

21 (c) ENVIRONMENTAL REVIEW.—For purposes of en-
22 vironmental review, pursuant to the National Environ-
23 mental Policy Act of 1969 and other provisions of law that
24 further the purposes of such Act, a grant under the AIDS
25 Housing Opportunity Act (42 U.S.C. 12901 et seq.) from

1 amounts provided under this or prior Acts shall be treated
2 as assistance for a special project that is subject to section
3 305(c) of the Multifamily Housing Property Disposition
4 Reform Act of 1994 (42 U.S.C. 3547), and shall be sub-
5 ject to the regulations issued by the Secretary to imple-
6 ment such section. Where the grantee under the AIDS
7 Housing Opportunity Act is a nonprofit organization and
8 the activity is proposed to be carried out within the juris-
9 diction of an Indian tribe or the community of an Alaska
10 native village, the role of the State or unit of general local
11 government under sections 305(c)(1)–(3) of such Act may
12 be carried out by the Indian tribe or Alaska native village
13 instead.

14 DRAWDOWN OF FUNDS

15 SEC. 204. Section 14(q)(1) of the United States
16 Housing Act of 1937 (42 U.S.C. 1437l(q)(1)) is amended
17 by inserting after the first sentence the following sentence:
18 “Such assistance may involve the drawdown of funds on
19 a schedule commensurate with construction draws for de-
20 posit into an interest earning escrow account to serve as
21 collateral or credit enhancement for bonds issued by a
22 public agency for the construction or rehabilitation of the
23 development.”.

(b) VOUCHER PROGRAM.—Section 8(o) of such Act (42 U.S.C. 1437f(o)) is amended by inserting the following at the end of paragraph (1): “The payment standard for a single person (other than an elderly person or person

1 with disabilities, if such elderly person or person with dis-
 2 abilities is living with one or more persons determined
 3 under the regulations of the Secretary to be essential to
 4 such person's care or well-being) shall be based on the fair
 5 market rental for an efficiency unit, except that the Sec-
 6 retary, or the public housing agency in accordance with
 7 guidelines established by the Secretary, may determine not
 8 to apply the limitation in this sentence if there is an insuf-
 9 ficient supply of efficiency units in the market area or if
 10 necessary to meet the needs of persons with disabilities.”.

11 (c) APPLICABILITY.—This section shall take effect 60
 12 days after the later of October 1, 1998 or the date of en-
 13 actment of this Act.

14 ELIMINATION OF SHOPPING INCENTIVE FOR VOUCHER
 15 FAMILIES WHO REMAIN IN SAME UNIT UPON INITIAL
 16 RECEIPT OF ASSISTANCE

17 SEC. 206. (a) Section 8(o)(2) of the United States
 18 Housing Act of 1937 (42 U.S.C. 1437f(o)(2)) is amended
 19 by inserting the following new sentence at the end: “Not-
 20 withstanding the preceding sentence, for families being ad-
 21 mitted to the voucher program who remain in the same
 22 unit or complex, where the rent (including the amount al-
 23 lowed for utilities) does not exceed the payment standard,
 24 the monthly assistance payment for any family shall be
 25 the amount by which such rent exceeds the greater of 30

1 percent of the family's monthly adjusted income or 10 per-
 2 cent of the family's monthly income.”.

3 (b) This section shall take effect 60 days after the
 4 later of October 1, 1998 or the date of enactment of this
 5 Act.

6 RENEGOTIATION OF PERFORMANCE FUNDING SYSTEM

7 SEC. 207. Section 9(a)(3)(A) of the United States
 8 Housing Act of 1937 (42 U.S.C. 1437g(a)(3)(A)) is
 9 amended—

10 (1) by inserting after the third sentence the fol-
 11 lowing new sentence to read as follows:

12 “Notwithstanding the preceding sentences, the Secretary
 13 may revise the performance funding system in a manner
 14 that takes into account equity among public housing agen-
 15 cies and that includes appropriate incentives for sound
 16 management.”; and

17 (2) in the last sentence, by inserting after “va-
 18 cant public housing units” the following: “, or any
 19 substantial change under the preceding sentence,”.

20 CDBG AND HOME EXEMPTION

21 SEC. 208. The City of Oxnard, California may use
 22 amounts available to the City under title I of the Housing
 23 and Community Development Act of 1974 and under sub-
 24 title A of title II of the Cranston-Gonzalez National Af-
 25 fordable Housing Act to reimburse the city for its cost
 26 in purchasing 19.89 acres of land, more or less, located

1 at the northwest corner of Lombard Street and Camino
 2 del Sol in the city, on the north side of the 2100 block
 3 of Camino del Sol, for the purpose of providing affordable
 4 housing. The procedures set forth in sections 104(g)(2)
 5 and (3) of the Housing and Community Development Act
 6 of 1974 and sections 288(b) and (c) of the Cranston-Gon-
 7 zalez National Affordable Housing Act shall not apply to
 8 any release of funds for such reimbursement.

9 CDBG PUBLIC SERVICES CAP

10 SEC. 209. Section 105(a)(8) of the Housing and
 11 Community Development Act of 1974 (42 U.S.C.
 12 5305(a)(8)) is amended by striking “1998” and inserting
 13 “1999”.

14 TITLE III—INDEPENDENT AGENCIES

15 AMERICAN BATTLE MONUMENTS COMMISSION

16 SALARIES AND EXPENSES

17 For necessary expenses, not otherwise provided for,
 18 of the American Battle Monuments Commission, including
 19 the acquisition of land or interest in land in foreign coun-
 20 tries; purchases and repair of uniforms for caretakers of
 21 national cemeteries and monuments outside of the United
 22 States and its territories and possessions; rent of office
 23 and garage space in foreign countries; purchase (one for
 24 replacement only) and hire of passenger motor vehicles;
 25 and insurance of official motor vehicles in foreign coun-
 26 tries, when required by law of such countries,

1 \$26,431,000, to remain available until expended: *Pro-*
 2 *vided*, That where station allowance has been authorized
 3 by the Department of the Army for officers of the Army
 4 serving the Army at certain foreign stations, the same al-
 5 lowance shall be authorized for officers of the Armed
 6 Forces assigned to the Commission while serving at the
 7 same foreign stations, and this appropriation is hereby
 8 made available for the payment of such allowance: *Pro-*
 9 *vided further*, That when traveling on business of the Com-
 10 mission, officers of the Armed Forces serving as members
 11 or as Secretary of the Commission may be reimbursed for
 12 expenses as provided for civilian members of the Commis-
 13 sion: *Provided further*, That the Commission shall reim-
 14 burse other Government agencies, including the Armed
 15 Forces, for salary, pay, and allowances of personnel as-
 16 signed to it.

17 CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD
 18 SALARIES AND EXPENSES

19 For necessary expenses in carrying out activities pur-
 20 suant to section 112(r)(6) of the Clean Air Act, as amend-
 21 ed, including hire of passenger vehicles, and for services
 22 authorized by 5 U.S.C. 3109, but at rates for individuals
 23 not to exceed the per diem equivalent to the maximum
 24 rate payable for senior level positions under 5 U.S.C.
 25 5376, \$6,500,000: *Provided*, That the Chemical Safety

1 and Hazard Investigation Board shall have not more than
 2 three career Senior Executive Service positions.

3 DEPARTMENT OF THE TREASURY
 4 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS
 5 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS
 6 FUND PROGRAM ACCOUNT

7 For grants, loans, and technical assistance to qualify-
 8 ing community development lenders, and administrative
 9 expenses of the Fund, including services authorized by 5
 10 U.S.C. 3109, but at rates for individuals not to exceed
 11 the per diem rate equivalent to the rate for ES-3,
 12 \$80,000,000, to remain available until September 30,
 13 2000, of which \$12,000,000 may be used for the cost of
 14 direct loans, and up to \$1,000,000 may be used for admin-
 15 istrative expenses to carry out the direct loan program:
 16 *Provided*, That the cost of direct loans, including the cost
 17 of modifying such loans, shall be as defined in section 502
 18 of the Congressional Budget Act of 1974: *Provided fur-*
 19 *ther*, That these funds are available to subsidize gross obli-
 20 gations for the principal amount of direct loans not to ex-
 21 ceed \$32,000,000: *Provided further*, That not more than
 22 \$25,000,000 of the funds made available under this head-
 23 ing may be used for programs and activities authorized
 24 in section 114 of the Community Development Banking
 25 and Financial Institutions Act of 1994.

1 CONSUMER PRODUCT SAFETY COMMISSION

2 SALARIES AND EXPENSES

3 For necessary expenses of the Consumer Product
4 Safety Commission, including hire of passenger motor ve-
5 hicles, services as authorized by 5 U.S.C. 3109, but at
6 rates for individuals not to exceed the per diem rate equiv-
7 alent to the maximum rate payable under 5 U.S.C. 5376,
8 purchase of nominal awards to recognize non-Federal offi-
9 cials' contributions to Commission activities, and not to
10 exceed \$500 for official reception and representation ex-
11 penses, \$46,000,000. No funds shall be expended in pro-
12 mulgating a Notice of Proposed Rulemaking or Final Rule
13 under the Flammable Fabrics Act, which could directly
14 or indirectly lead to increased chemical treatment of up-
15 holstery fabrics, unless the published Notice of Proposed
16 Rulemaking or Final Rule includes the final recommenda-
17 tions of the Chronic Hazard Advisory Panel.

18 CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

19 NATIONAL AND COMMUNITY SERVICE PROGRAMS

20 OPERATING EXPENSES

21 Of the funds appropriated under this heading in Pub-
22 lic Law 105-65, the Corporation for National and Com-
23 munity Service shall use such amounts of such funds as
24 may be necessary to carry out the orderly termination of:
25 (1) the programs, activities, and initiatives under the Na-

1 tional and Community Service Act of 1990 (Public Law
 2 103–82); the Corporation; and (2) the Corporation’s Of-
 3 fice of Inspector General: *Provided*, That such sums shall
 4 be utilized to resolve all responsibilities and obligations in
 5 connection with said Corporation and the Corporation’s
 6 Office of Inspector General.

7 COURT OF VETERANS APPEALS

8 SALARIES AND EXPENSES

9 For necessary expenses for the operation of the
 10 United States Court of Veterans Appeals as authorized
 11 by 38 U.S.C. 7251–7298, \$10,195,000, of which
 12 \$865,000, shall be available for the purpose of providing
 13 financial assistance as described, and in accordance with
 14 the process and reporting procedures set forth, under this
 15 heading in Public Law 102–229.

16 DEPARTMENT OF DEFENSE—CIVIL

17 CEMETERIAL EXPENSES, ARMY

18 SALARIES AND EXPENSES

19 For necessary expenses, as authorized by law, for
 20 maintenance, operation, and improvement of Arlington
 21 National Cemetery and Soldiers’ and Airmen’s Home Na-
 22 tional Cemetery, including the purchase of one passenger
 23 motor vehicle for replacement only, and not to exceed
 24 \$1,000 for official reception and representation expenses,
 25 \$11,666,000, to remain available until expended.

1 ENVIRONMENTAL PROTECTION AGENCY

2 SCIENCE AND TECHNOLOGY

3 For science and technology, including research and
4 development activities, which shall include research and
5 development activities under the Comprehensive Environ-
6 mental Response, Compensation, and Liability Act of
7 1980 (CERCLA), as amended; necessary expenses for per-
8 sonnel and related costs and travel expenses, including
9 uniforms, or allowances therefore, as authorized by 5
10 U.S.C. 5901–5902; services as authorized by 5 U.S.C.
11 3109, but at rates for individuals not to exceed the per
12 diem rate equivalent to the maximum rate payable for sen-
13 ior level positions under 5 U.S.C. 5376; procurement of
14 laboratory equipment and supplies; other operating ex-
15 penses in support of research and development; construc-
16 tion, alteration, repair, rehabilitation, and renovation of
17 facilities, not to exceed \$75,000 per project,
18 \$656,505,000, which shall remain available until Septem-
19 ber 30, 2000: *Provided*, That the obligated balance of such
20 sums shall remain available through September 30, 2007
21 for liquidating obligations made in fiscal years 1999 and
22 2000.

23 ENVIRONMENTAL PROGRAMS AND MANAGEMENT

24 For environmental programs and management, in-
25 cluding necessary expenses, not otherwise provided for, for
26 personnel and related costs and travel expenses, including

1 uniforms, or allowances therefore, as authorized by 5
2 U.S.C. 5901–5902; services as authorized by 5 U.S.C.
3 3109, but at rates for individuals not to exceed the per
4 diem rate equivalent to the maximum rate payable for sen-
5 ior level positions under 5 U.S.C. 5376; hire of passenger
6 motor vehicles; hire, maintenance, and operation of air-
7 craft; purchase of reprints; library memberships in soci-
8 eties or associations which issue publications to members
9 only or at a price to members lower than to subscribers
10 who are not members; construction, alteration, repair, re-
11 habilitation, and renovation of facilities, not to exceed
12 \$75,000 per project; and not to exceed \$6,000 for official
13 reception and representation expenses, \$1,856,000,000,
14 which shall remain available until September 30, 2000:
15 *Provided*, That the obligated balance of such sums shall
16 remain available through September 30, 2007 for liquidat-
17 ing obligations made in fiscal years 1999 and 2000: *Pro-*
18 *vided further*, That none of the funds appropriated by this
19 Act shall be used to develop, propose, or issue rules, regu-
20 lations, decrees, or orders for the purpose of implementa-
21 tion, or in contemplation of implementation, of the Kyoto
22 Protocol which was adopted on December 11, 1997, in
23 Kyoto, Japan at the Third Conference of the Parties to
24 the United Nations Framework Convention on Climate
25 Change, which has not been submitted to the Senate for

1 advice and consent to ratification pursuant to article II,
2 section 2, clause 2, of the United States Constitution, and
3 which has not entered into force pursuant to article 25
4 of such Protocol: *Provided further*, That none of the funds
5 made available in this Act may be used to implement or
6 administer the interim guidance issued on February 5,
7 1998 by the Environmental Protection Agency relating to
8 title VI of the Civil Rights Act of 1964 and designated
9 as the “Interim Guidance for Investigating Title VI Ad-
10 ministrative Complaints Challenging Permits” with re-
11 spect to complaints filed under such title after the date
12 of enactment of this Act and until guidance is finalized.
13 Nothing in the above proviso may be construed to restrict
14 the Environmental Protection Agency from developing or
15 issuing final guidance relating to title VI of the Civil
16 Rights Act of 1964: *Provided further*, That any limitation
17 on funds for the Environmental Protection Agency or the
18 Council on Environment Quality in this Act shall not
19 apply to conducting educational outreach or informational
20 seminars.

21 OFFICE OF INSPECTOR GENERAL

22 For necessary expenses of the Office of Inspector
23 General in carrying out the provisions of the Inspector
24 General Act of 1978, as amended, and for construction,
25 alteration, repair, rehabilitation, and renovation of facili-
26 ties, not to exceed \$75,000 per project, \$31,154,000, to

1 remain available until September 30, 2000: *Provided*,
2 That the obligated balance of such sums shall remain
3 available through September 30, 2007 for liquidating obli-
4 gations made in fiscal years 1999 and 2000.

5 BUILDINGS AND FACILITIES

6 For construction, repair, improvement, extension, al-
7 teration, and purchase of fixed equipment or facilities of,
8 or for use by, the Environmental Protection Agency,
9 \$60,948,000, to remain available until expended.

10 HAZARDOUS SUBSTANCE SUPERFUND

11 (INCLUDING TRANSFERS OF FUNDS)

12 For necessary expenses to carry out the Comprehen-
13 sive Environmental Response, Compensation, and Liabil-
14 ity Act of 1980 (CERCLA), as amended, including sec-
15 tions 111(c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C.
16 9611), and for construction, alteration, repair, rehabilita-
17 tion, and renovation of facilities, not to exceed \$75,000
18 per project; not to exceed \$1,500,000,000, consisting of
19 \$650,000,000 as appropriated under this heading in Pub-
20 lic Law 105–65, notwithstanding the second proviso under
21 this heading of said Act, and not to exceed \$850,000,000
22 (of which \$100,000,000 shall not become available until
23 September 1, 1999), all of which is to remain available
24 until expended, consisting of \$1,175,000,000, as author-
25 ized by section 517(a) of the Superfund Amendments and
26 Reauthorization Act of 1986 (SARA), as amended by

1 Public Law 101–508, and \$325,000,000 as a payment
2 from general revenues to the Hazardous Substance Super-
3 fund for purposes as authorized by section 517(b) of
4 SARA, as amended by Public Law 101–508: *Provided*,
5 That funds appropriated under this heading may be allo-
6 cated to other Federal agencies in accordance with section
7 111(a) of CERCLA: *Provided further*, That \$12,237,000
8 of the funds appropriated under this heading shall be
9 transferred to the “Office of Inspector General” appro-
10 priation to remain available until September 30, 2000:
11 *Provided further*, That notwithstanding section 111(m) of
12 CERCLA or any other provision of law, \$74,000,000 of
13 the funds appropriated under this heading shall be avail-
14 able to the Agency for Toxic Substances and Disease Reg-
15 istry to carry out activities described in sections 104(i),
16 111(c)(4), and 111(c)(14) of CERCLA and section 118(f)
17 of SARA: *Provided further*, That \$40,000,000 of the funds
18 appropriated under this heading shall be transferred to
19 the “Science and Technology” appropriation to remain
20 available until September 30, 2000: *Provided further*, That
21 none of the funds appropriated under this heading shall
22 be available for the Agency for Toxic Substances and Dis-
23 ease Registry to issue in excess of 40 toxicological profiles
24 pursuant to section 104(i) of CERCLA during fiscal year
25 1999.

1 LEAKING UNDERGROUND STORAGE TANK TRUST FUND

2 For necessary expenses to carry out leaking under-
3 ground storage tank cleanup activities authorized by sec-
4 tion 205 of the Superfund Amendments and Reauthoriza-
5 tion Act of 1986, and for construction, alteration, repair,
6 rehabilitation, and renovation of facilities, not to exceed
7 \$75,000 per project, \$70,000,000, to remain available
8 until expended: *Provided*, That hereafter, the Adminis-
9 trator is authorized to enter into assistance agreements
10 with Federally recognized Indian tribes on such terms and
11 conditions as the Administrator deems appropriate for the
12 same purposes as are set forth in section 9003(h)(7) of
13 the Resource Conservation and Recovery Act.

14 OIL SPILL RESPONSE

15 (INCLUDING TRANSFER OF FUNDS)

16 For expenses necessary to carry out the Environ-
17 mental Protection Agency's responsibilities under the Oil
18 Pollution Act of 1990, \$15,000,000, to be derived from
19 the Oil Spill Liability trust fund, and to remain available
20 until expended.

21 STATE AND TRIBAL ASSISTANCE GRANTS

22 For environmental programs and infrastructure as-
23 sistance, including capitalization grants for State revolv-
24 ing funds and performance partnership grants,
25 \$3,233,132,000, to remain available until expended, of
26 which \$1,250,000,000 shall be for making capitalization

1 grants for the Clean Water State Revolving Funds under
2 title VI of the Federal Water Pollution Control Act, as
3 amended, and \$775,000,000 shall be for capitalization
4 grants for the Drinking Water State Revolving Funds
5 under section 1452 of the Safe Drinking Water Act, as
6 amended, \$55,000,000 for architectural, engineering,
7 planning, design, construction and related activities in
8 connection with the construction of high priority water
9 and wastewater facilities in the area of the United States-
10 Mexico border, after consultation with the appropriate
11 border commission, \$15,000,000 for grants to the State
12 of Alaska to address drinking water and wastewater infra-
13 structure needs of rural and Alaska Native Villages as
14 provided by section 303 of Public Law 104–182,
15 \$253,475,000 for making grants for the construction of
16 wastewater and water treatment facilities and ground-
17 water protection infrastructure in accordance with the
18 terms and conditions specified for such grants in the re-
19 port accompanying this Act (H.R. 4194); and
20 \$884,657,000 for grants, including associated program
21 support costs, to States, Federally recognized tribes, inter-
22 state agencies, Tribal consortia, and air pollution control
23 agencies for multi-media or single media pollution preven-
24 tion, control and abatement and related activities, includ-
25 ing activities pursuant to the provisions set forth under

1 this heading in Public Law 104–134, and for making
2 grants under section 103 of the Clean Air Act for particu-
3 late matter monitoring and data collection activities: *Pro-*
4 *vided*, That, consistent with section 1452(g) of the Safe
5 Drinking Water Act (42 U.S.C. 300j–12(g)), section 302
6 of the Safe Drinking Water Act Amendments of 1996
7 (Public Law 104–182) and the accompanying joint ex-
8 planatory statement of the committee on conference (H.
9 Rept. No. 104–741 to accompany S. 1316, the Safe
10 Drinking Water Act Amendments of 1996), and notwith-
11 standing any other provision of law, beginning in fiscal
12 year 1999 and thereafter, States may combine the assets
13 of State Revolving Funds (SRFs) established under sec-
14 tion 1452 of the Safe Drinking Water Act, as amended,
15 and title VI of the Federal Water Pollution Control Act,
16 as amended, as security for bond issues to enhance the
17 lending capacity of one or both SRFs, but not to acquire
18 the State match for either program, provided that reve-
19 nues from the bonds are allocated to the purposes of the
20 Safe Drinking Water Act and the Federal Water Pollution
21 Control Act in the same portion as the funds are used
22 as security for the bonds: *Provided further*, That hereafter,
23 the Administrator is authorized to enter into assistance
24 agreements with Federally recognized Indian tribes on
25 such terms and conditions as the Administrator deems ap-

1 appropriate for the development and implementation of pro-
2 grams to manage hazardous waste, and underground stor-
3 age tanks: *Provided further*, That beginning in fiscal year
4 1999 and thereafter, pesticide program implementation
5 grants under section 23(a)(1) of the Federal Insecticide,
6 Fungicide and Rodenticide Act, as amended, shall be
7 available for pesticide program development and imple-
8 mentation, including enforcement and compliance activi-
9 ties: *Provided further*, That, notwithstanding the matching
10 requirement in Public Law 104–204 for funds appro-
11 priated under this heading for grants to the State of Texas
12 for improving wastewater treatment for the Colonias, such
13 funds that remain unobligated may also be used for im-
14 proving water treatment for the Colonias, and shall be
15 matched by the State funds from State resources equal
16 to 20 percent of such unobligated funds.

17 EXECUTIVE OFFICE OF THE PRESIDENT

18 OFFICE OF SCIENCE AND TECHNOLOGY POLICY

19 For necessary expenses of the Office of Science and
20 Technology Policy, in carrying out the purposes of the Na-
21 tional Science and Technology Policy, Organization, and
22 Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire
23 of passenger motor vehicles, and services as authorized by
24 5 U.S.C. 3109, not to exceed \$2,500 for official reception

1 and representation expenses, and rental of conference
2 rooms in the District of Columbia, \$5,026,000.

3 COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF
4 ENVIRONMENTAL QUALITY

5 For necessary expenses to continue functions as-
6 signed to the Council on Environmental Quality and Office
7 of Environmental Quality pursuant to the National Envi-
8 ronmental Policy Act of 1969, the Environmental Quality
9 Improvement Act of 1970, and Reorganization Plan No.
10 1 of 1977, \$2,675,000: *Provided*, That, notwithstanding
11 any other provision of law, no funds other than those ap-
12 propriated under this heading shall be used for or by the
13 Council on Environmental Quality and Office of Environ-
14 mental Quality: *Provided further*, That notwithstanding
15 section 202 of the National Environmental Policy Act of
16 1970, the Council shall consist of one member, appointed
17 by the President, by and with the advice and consent of
18 the Senate, serving as chairman and exercising all powers,
19 functions, and duties of the Council.

20 FEDERAL DEPOSIT INSURANCE CORPORATION
21 OFFICE OF INSPECTOR GENERAL
22 (INCLUDING TRANSFER OF FUNDS)

23 For necessary expenses of the Office of Inspector
24 General in carrying out the provisions of the Inspector
25 General Act of 1978, as amended, \$34,666,000, to be de-

1 rived from the Bank Insurance Fund, the Savings Asso-
2 ciation Insurance Fund, and the FSLIC Resolution Fund.

3 FEDERAL EMERGENCY MANAGEMENT AGENCY

4 DISASTER RELIEF

5 For necessary expenses in carrying out the Robert
6 T. Stafford Disaster Relief and Emergency Assistance Act
7 (42 U.S.C. 5121 et seq.), \$307,745,000, and, notwith-
8 standing 42 U.S.C. 5203, to remain available until ex-
9 pended.

10 DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

11 For the cost of direct loans, \$1,355,000, as author-
12 ized by section 319 of the Robert T. Stafford Disaster Re-
13 lief and Emergency Assistance Act: *Provided*, That such
14 costs, including the cost of modifying such loans, shall be
15 as defined in section 502 of the Congressional Budget Act
16 of 1974, as amended: *Provided further*, That these funds
17 are available to subsidize gross obligations for the prin-
18 cipal amount of direct loans not to exceed \$25,000,000.

19 In addition, for administrative expenses to carry out
20 the direct loan program, \$440,000.

21 SALARIES AND EXPENSES

22 For necessary expenses, not otherwise provided for,
23 including hire and purchase of motor vehicles as author-
24 ized by 31 U.S.C. 1343; uniforms, or allowances therefor,
25 as authorized by 5 U.S.C. 5901–5902; services as author-
26 ized by 5 U.S.C. 3109, but at rates for individuals not

1 to exceed the per diem rate equivalent to the maximum
2 rate payable for senior level positions under 5 U.S.C.
3 5376; expenses of attendance of cooperating officials and
4 individuals at meetings concerned with the work of emer-
5 gency preparedness; transportation in connection with the
6 continuity of Government programs to the same extent
7 and in the same manner as permitted the Secretary of
8 a Military Department under 10 U.S.C. 2632; and not to
9 exceed \$2,500 for official reception and representation ex-
10 penses, \$171,138,000.

11 OFFICE OF THE INSPECTOR GENERAL

12 For necessary expenses of the Office of the Inspector
13 General in carrying out the Inspector General Act of 1978,
14 as amended, \$4,930,000.

15 EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

16 For necessary expenses, not otherwise provided for,
17 to carry out activities under the National Flood Insurance
18 Act of 1968, as amended, and the Flood Disaster Protec-
19 tion Act of 1973, as amended (42 U.S.C. 4001 et seq.),
20 the Robert T. Stafford Disaster Relief and Emergency As-
21 sistance Act (42 U.S.C. 5121 et seq.), the Earthquake
22 Hazards Reduction Act of 1977, as amended (42 U.S.C.
23 7701 et seq.), the Federal Fire Prevention and Control
24 Act of 1974, as amended (15 U.S.C. 2201 et seq.), the
25 Defense Production Act of 1950, as amended (50 U.S.C.
26 App. 2061 et seq.), sections 107 and 303 of the National

1 Security Act of 1947, as amended (50 U.S.C. 404–405),
2 and Reorganization Plan No. 3 of 1978, \$231,674,000:
3 *Provided*, That for purposes of pre-disaster mitigation
4 pursuant to 42 U.S.C. 5131(b) and (c) and 42 U.S.C.
5 5196(e) and (i), \$30,000,000 of the funds made available
6 under this heading shall be available until expended for
7 project grants. The United States Fire Administration is
8 to conduct a pilot project, to be completed within 15
9 months from the date of enactment of this Act, to promote
10 the installation and maintenance of smoke detectors in the
11 localities of highest risk for residential fires. The United
12 States Fire Administration shall transmit the results of
13 its pilot project to the Consumer Product Safety Commis-
14 sion and to the Committee on Science of the House of
15 Representatives and the Committee on Commerce,
16 Science, and Transportation of the Senate.

17 RADIOLOGICAL EMERGENCY PREPAREDNESS FUND

18 There is hereby established in the Treasury a Radio-
19 logical Emergency Preparedness Fund, which shall be
20 available under the Atomic Energy Act of 1954, as amend-
21 ed, and Executive Order 12657, for offsite radiological
22 emergency planning, preparedness, and response. Begin-
23 ning in fiscal year 1999 and thereafter, the Director of
24 the Federal Emergency Management Agency (FEMA)
25 shall promulgate through rulemaking fees to be assessed
26 and collected, applicable to persons subject to FEMA's ra-

1 diological emergency preparedness regulations. The aggre-
2 gate charges assessed pursuant to this paragraph during
3 fiscal year 1999 shall not be less than 100 percent of the
4 amounts anticipated by FEMA necessary for its radiologi-
5 cal emergency preparedness program for such fiscal year.
6 The methodology for assessment and collection of fees
7 shall be fair and equitable; and shall reflect costs of pro-
8 viding such services, including administrative costs of col-
9 lecting such fees. Fees received pursuant to this section
10 shall be deposited in the Fund as offsetting collections and
11 will become available for authorized purposes on October
12 1, 1999, and remain available until expended.

13 For necessary expenses of the Fund for fiscal year
14 1999, \$12,849,000, to remain available until expended.

15 EMERGENCY FOOD AND SHELTER PROGRAM

16 To carry out an emergency food and shelter program
17 pursuant to title III of Public Law 100-77, as amended,
18 \$100,000,000: *Provided*, That total administrative costs
19 shall not exceed three and one-half percent of the total
20 appropriation.

21 NATIONAL FLOOD INSURANCE FUND

22 (INCLUDING TRANSFER OF FUNDS)

23 For activities under the National Flood Insurance
24 Act of 1968, the Flood Disaster Protection Act of 1973,
25 as amended, not to exceed \$22,685,000 for salaries and
26 expenses associated with flood mitigation and flood insur-

1 ance operations, and not to exceed \$78,464,000 for flood
2 mitigation, including up to \$20,000,000 for expenses
3 under section 1366 of the National Flood Insurance Act,
4 which amount shall be available for transfer to the Na-
5 tional Flood Mitigation Fund until September 30, 2000.
6 In fiscal year 1999, no funds in excess of: (1) \$47,000,000
7 for operating expenses; (2) \$343,989,000 for agents' com-
8 missions and taxes; and (3) \$60,000,000 for interest on
9 Treasury borrowings shall be available from the National
10 Flood Insurance Fund without prior notice to the Commit-
11 tees on Appropriations. For fiscal year 1999, flood insur-
12 ance rates shall not exceed the level authorized by the Na-
13 tional Flood Insurance Reform Act of 1994.

14 GENERAL SERVICES ADMINISTRATION

15 CONSUMER INFORMATION CENTER FUND

16 For necessary expenses of the Consumer Information
17 Center, including services authorized by 5 U.S.C. 3109,
18 \$2,619,000, to be deposited into the Consumer Informa-
19 tion Center Fund: *Provided*, That the appropriations, rev-
20 enues and collections deposited into the fund shall be
21 available for necessary expenses of Consumer Information
22 Center activities in the aggregate amount of \$7,500,000.
23 Appropriations, revenues, and collections accruing to this
24 fund during fiscal year 1999 in excess of \$7,500,000 shall

1 remain in the fund and shall not be available for expendi-
2 ture except as authorized in appropriations Acts.

3 NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

4 HUMAN SPACE FLIGHT

5 For necessary expenses, not otherwise provided for,
6 in the conduct and support of human space flight research
7 and development activities, including research, develop-
8 ment, operations, and services; maintenance; construction
9 of facilities including repair, rehabilitation, and modifica-
10 tion of real and personal property, and acquisition or con-
11 demnation of real property, as authorized by law; space
12 flight, spacecraft control and communications activities in-
13 cluding operations, production, and services; and pur-
14 chase, lease, charter, maintenance and operation of mis-
15 sion and administrative aircraft, \$5,309,000,000, to re-
16 main available until September 30, 2000.

17 SCIENCE, AERONAUTICS AND TECHNOLOGY

18 For necessary expenses, not otherwise provided for,
19 in the conduct and support of science, aeronautics and
20 technology research and development activities, including
21 research, development, operations, and services; mainte-
22 nance; construction of facilities including repair, rehabili-
23 tation, and modification of real and personal property, and
24 acquisition or condemnation of real property, as author-
25 ized by law; space flight, spacecraft control and commu-
26 nications activities including operations, production, and

1 services; and purchase, lease, charter, maintenance and
2 operation of mission and administrative aircraft,
3 \$5,541,600,000, to remain available until September 30,
4 2000.

5 MISSION SUPPORT

6 For necessary expenses, not otherwise provided for,
7 in carrying out mission support for human space flight
8 programs and science, aeronautical, and technology pro-
9 grams, including research operations and support; space
10 communications activities including operations, production
11 and services; maintenance; construction of facilities in-
12 cluding repair, rehabilitation, and modification of facili-
13 ties, minor construction of new facilities and additions to
14 existing facilities, facility planning and design, environ-
15 mental compliance and restoration, and acquisition or con-
16 demnation of real property, as authorized by law; program
17 management; personnel and related costs, including uni-
18 forms or allowances therefor, as authorized by 5 U.S.C.
19 5901–5902; travel expenses; purchase, lease, charter,
20 maintenance, and operation of mission and administrative
21 aircraft; not to exceed \$35,000 for official reception and
22 representation expenses; and purchase (not to exceed 33
23 for replacement only) and hire of passenger motor vehi-
24 cles, \$2,458,600,000, to remain available until September
25 30, 2000.

1 OFFICE OF INSPECTOR GENERAL

2 For necessary expenses of the Office of Inspector
3 General in carrying out the Inspector General Act of 1978,
4 as amended, \$19,000,000.

5 ADMINISTRATIVE PROVISIONS

6 Notwithstanding the limitation on the availability of
7 funds appropriated for “Human space flight”, “Science,
8 aeronautics and technology”, or “Mission support” by this
9 appropriations Act, when any activity has been initiated
10 by the incurrence of obligations for construction of facili-
11 ties as authorized by law, such amount available for such
12 activity shall remain available until expended. This provi-
13 sion does not apply to the amounts appropriated in “Mis-
14 sion support” pursuant to the authorization for repair, re-
15 habilitation and modification of facilities, minor construc-
16 tion of new facilities and additions to existing facilities,
17 and facility planning and design.

18 Notwithstanding the limitation on the availability of
19 funds appropriated for “Human space flight”, “Science,
20 aeronautics and technology”, or “Mission support” by this
21 appropriations Act, the amounts appropriated for con-
22 struction of facilities shall remain available until Septem-
23 ber 30, 2001.

24 Notwithstanding the limitation on the availability of
25 funds appropriated for “Mission support” and “Office of
26 Inspector General”, amounts made available by this Act

1 for personnel and related costs and travel expenses of the
2 National Aeronautics and Space Administration shall re-
3 main available until September 30, 1999 and may be used
4 to enter into contracts for training, investigations, costs
5 associated with personnel relocation, and for other serv-
6 ices, to be provided during the next fiscal year.

7 NASA shall develop a revised appropriation structure
8 for submission in the Fiscal Year 2000 budget request
9 consisting of two basic appropriations (the Human Space
10 Flight Appropriation and the Science, Aeronautics and
11 Technology Appropriation) with a separate (third) appro-
12 priation for the Office of Inspector General. The appro-
13 priations shall each include the planned full costs (direct
14 and indirect costs) of NASA's related activities and allow
15 NASA to shift civil service salaries, benefits and support
16 between and/or among appropriations or accounts, as re-
17 quired, for the safe, timely, and successful accomplishment
18 of NASA missions.

19 None of the funds made available by this Act may
20 be used for feasibility studies for, or construction or pro-
21 curement of satellite hardware for, a mission to a region
22 of space identified as an Earth LaGrange point, other
23 than for the Solar and Heliospheric Observatory (SOHO),
24 Advanced Composition Explorer (ACE), or Genesis mis-
25 sion. Such funds shall also not be used for the addition

1 of an Earth-observing payload to any of the missions
2 named in the preceding sentence.

3 NATIONAL CREDIT UNION ADMINISTRATION

4 CENTRAL LIQUIDITY FACILITY

5 During fiscal year 1999, gross obligations of the Cen-
6 tral Liquidity Facility for the principal amount of new di-
7 rect loans to member credit unions, as authorized by the
8 National Credit Union Central Liquidity Facility Act (12
9 U.S.C. 1795), shall not exceed \$600,000,000: *Provided*,
10 That administrative expenses of the Central Liquidity Fa-
11 cility in fiscal year 1999 shall not exceed \$176,000: *Pro-*
12 *vided further*, That \$2,000,000, together with amounts of
13 principal and interest on loans repaid, to be available until
14 expended, is available for loans to community development
15 credit unions.

16 NATIONAL SCIENCE FOUNDATION

17 RESEARCH AND RELATED ACTIVITIES

18 For necessary expenses in carrying out the National
19 Science Foundation Act of 1950, as amended (42 U.S.C.
20 1861–1875), and the Act to establish a National Medal
21 of Science (42 U.S.C. 1880–1881); services as authorized
22 by 5 U.S.C. 3109; maintenance and operation of aircraft
23 and purchase of flight services for research support; acqui-
24 sition of aircraft, \$2,745,000,000, of which not to exceed
25 \$244,960,000, shall remain available until expended for

1 Polar research and operations support, and for reimburse-
2 ment to other Federal agencies for operational and science
3 support and logistical and other related activities for the
4 United States Antarctic program; the balance to remain
5 available until September 30, 2000: *Provided*, That re-
6 ceipts for scientific support services and materials fur-
7 nished by the National Research Centers and other Na-
8 tional Science Foundation supported research facilities
9 may be credited to this appropriation: *Provided further*,
10 That to the extent that the amount appropriated is less
11 than the total amount authorized to be appropriated for
12 included program activities, all amounts, including floors
13 and ceilings, specified in the authorizing Act for those pro-
14 gram activities or their subactivities shall be reduced pro-
15 portionally: *Provided further*, That none of the funds ap-
16 propriated or otherwise made available to the National
17 Science Foundation in this or any prior Act may be obli-
18 gated or expended by the National Science Foundation to
19 enter into or extend a grant, contract, or cooperative
20 agreement for the support of administering the domain
21 name and numbering system of the Internet after Septem-
22 ber 30, 1998.

23 MAJOR RESEARCH EQUIPMENT

24 For necessary expenses of major construction
25 projects pursuant to the National Science Foundation Act

1 of 1950, as amended, \$90,000,000, to remain available
2 until expended.

3 EDUCATION AND HUMAN RESOURCES

4 For necessary expenses in carrying out science and
5 engineering education and human resources programs and
6 activities pursuant to the National Science Foundation
7 Act of 1950, as amended (42 U.S.C. 1861–1875), includ-
8 ing services as authorized by 5 U.S.C. 3109 and rental
9 of conference rooms in the District of Columbia,
10 \$642,500,000, to remain available until September 30,
11 2000: *Provided*, That to the extent that the amount of
12 this appropriation is less than the total amount authorized
13 to be appropriated for included program activities, all
14 amounts, including floors and ceilings, specified in the au-
15 thorizing Act for those program activities or their sub-
16 activities shall be reduced proportionally.

17 SALARIES AND EXPENSES

18 For salaries and expenses necessary in carrying out
19 the National Science Foundation Act of 1950, as amended
20 (42 U.S.C. 1861–1875); services authorized by 5 U.S.C.
21 3109; hire of passenger motor vehicles; not to exceed
22 \$9,000 for official reception and representation expenses;
23 uniforms or allowances therefor, as authorized by 5 U.S.C.
24 5901–5902; rental of conference rooms in the District of
25 Columbia; reimbursement of the General Services Admin-
26 istration for security guard services; \$144,000,000: *Pro-*

1 *vided*, That contracts may be entered into under “Salaries
2 and expenses” in fiscal year 1999 for maintenance and
3 operation of facilities, and for other services, to be pro-
4 vided during the next fiscal year.

5 OFFICE OF INSPECTOR GENERAL

6 For necessary expenses of the Office of Inspector
7 General as authorized by the Inspector General Act of
8 1978, as amended, \$5,200,000, to remain available until
9 September 30, 2000.

10 NEIGHBORHOOD REINVESTMENT CORPORATION

11 PAYMENT TO THE NEIGHBORHOOD REINVESTMENT

12 CORPORATION

13 For payment to the Neighborhood Reinvestment Cor-
14 poration for use in neighborhood reinvestment activities,
15 as authorized by the Neighborhood Reinvestment Corpora-
16 tion Act (42 U.S.C. 8101–8107), \$90,000,000, of which
17 \$25,000,000 shall be for a pilot homeownership initiative,
18 including an evaluation by an independent third party to
19 determine its effectiveness.

20 SELECTIVE SERVICE SYSTEM

21 SALARIES AND EXPENSES

22 For necessary expenses of the Selective Service Sys-
23 tem, including expenses of attendance at meetings and of
24 training for uniformed personnel assigned to the Selective
25 Service System, as authorized by 5 U.S.C. 4101–4118 for
26 civilian employees; and not to exceed \$1,000 for official

1 reception and representation expenses, \$24,176,000: *Pro-*
2 *vided*, That during the current fiscal year, the President
3 may exempt this appropriation from the provisions of 31
4 U.S.C. 1341, whenever he deems such action to be nec-
5 essary in the interest of national defense: *Provided further*,
6 That none of the funds appropriated by this Act may be
7 expended for or in connection with the induction of any
8 person into the Armed Forces of the United States.

9 TITLE IV—GENERAL PROVISIONS

10 SEC. 401. Where appropriations in titles I, II, and
11 III of this Act are expendable for travel expenses and no
12 specific limitation has been placed thereon, the expendi-
13 tures for such travel expenses may not exceed the amounts
14 set forth therefore in the budget estimates submitted for
15 the appropriations: *Provided*, That this provision does not
16 apply to accounts that do not contain an object classifica-
17 tion for travel: *Provided further*, That this section shall
18 not apply to travel performed by uncompensated officials
19 of local boards and appeal boards of the Selective Service
20 System; to travel performed directly in connection with
21 care and treatment of medical beneficiaries of the Depart-
22 ment of Veterans Affairs; to travel performed in connec-
23 tion with major disasters or emergencies declared or deter-
24 mined by the President under the provisions of the Robert
25 T. Stafford Disaster Relief and Emergency Assistance

1 Act; to travel performed by the Offices of Inspector Gen-
2 eral in connection with audits and investigations; or to
3 payments to interagency motor pools where separately set
4 forth in the budget schedules: *Provided further*, That if
5 appropriations in titles I, II, and III exceed the amounts
6 set forth in budget estimates initially submitted for such
7 appropriations, the expenditures for travel may cor-
8 respondingly exceed the amounts therefore set forth in the
9 estimates in the same proportion.

10 SEC. 402. Appropriations and funds available for the
11 administrative expenses of the Department of Housing
12 and Urban Development and the Selective Service System
13 shall be available in the current fiscal year for purchase
14 of uniforms, or allowances therefor, as authorized by 5
15 U.S.C. 5901–5902; hire of passenger motor vehicles; and
16 services as authorized by 5 U.S.C. 3109.

17 SEC. 403. Funds of the Department of Housing and
18 Urban Development subject to the Government Corpora-
19 tion Control Act or section 402 of the Housing Act of
20 1950 shall be available, without regard to the limitations
21 on administrative expenses, for legal services on a contract
22 or fee basis, and for utilizing and making payment for
23 services and facilities of Federal National Mortgage Asso-
24 ciation, Government National Mortgage Association, Fed-
25 eral Home Loan Mortgage Corporation, Federal Financ-

1 ing Bank, Federal Reserve banks or any member thereof,
2 Federal Home Loan banks, and any insured bank within
3 the meaning of the Federal Deposit Insurance Corporation
4 Act, as amended (12 U.S.C. 1811–1831).

5 SEC. 404. No part of any appropriation contained in
6 this Act shall remain available for obligation beyond the
7 current fiscal year unless expressly so provided herein.

8 SEC. 405. No funds appropriated by this Act may be
9 expended—

10 (1) pursuant to a certification of an officer or
11 employee of the United States unless—

12 (A) such certification is accompanied by,
13 or is part of, a voucher or abstract which de-
14 scribes the payee or payees and the items or
15 services for which such expenditure is being
16 made; or

17 (B) the expenditure of funds pursuant to
18 such certification, and without such a voucher
19 or abstract, is specifically authorized by law;
20 and

21 (2) unless such expenditure is subject to audit
22 by the General Accounting Office or is specifically
23 exempt by law from such audit.

24 SEC. 406. None of the funds provided in this Act to
25 any department or agency may be expended for the trans-

1 portation of any officer or employee of such department
2 or agency between their domicile and their place of em-
3 ployment, with the exception of any officer or employee
4 authorized such transportation under 31 U.S.C. 1344 or
5 5 U.S.C. 7905.

6 SEC. 407. None of the funds provided in this Act may
7 be used for payment, through grants or contracts, to re-
8 cipients that do not share in the cost of conducting re-
9 search resulting from proposals not specifically solicited
10 by the Government: *Provided*, That the extent of cost
11 sharing by the recipient shall reflect the mutuality of in-
12 terest of the grantee or contractor and the Government
13 in the research.

14 SEC. 408. None of the funds in this Act may be used,
15 directly or through grants, to pay or to provide reimburse-
16 ment for payment of the salary of a consultant (whether
17 retained by the Federal Government or a grantee) at more
18 than the daily equivalent of the rate paid for level IV of
19 the Executive Schedule, unless specifically authorized by
20 law.

21 SEC. 409. None of the funds provided in this Act
22 shall be used to pay the expenses of, or otherwise com-
23 pensate, non-Federal parties intervening in regulatory or
24 adjudicatory proceedings. Nothing herein affects the au-
25 thority of the Consumer Product Safety Commission pur-

1 suant to section 7 of the Consumer Product Safety Act
2 (15 U.S.C. 2056 et seq.).

3 SEC. 410. Except as otherwise provided under exist-
4 ing law, or under an existing Executive Order issued pur-
5 suant to an existing law, the obligation or expenditure of
6 any appropriation under this Act for contracts for any
7 consulting service shall be limited to contracts which are:
8 (1) a matter of public record and available for public in-
9 spection; and (2) thereafter included in a publicly available
10 list of all contracts entered into within twenty-four months
11 prior to the date on which the list is made available to
12 the public and of all contracts on which performance has
13 not been completed by such date. The list required by the
14 preceding sentence shall be updated quarterly and shall
15 include a narrative description of the work to be per-
16 formed under each such contract.

17 SEC. 411. Except as otherwise provided by law, no
18 part of any appropriation contained in this Act shall be
19 obligated or expended by any executive agency, as referred
20 to in the Office of Federal Procurement Policy Act (41
21 U.S.C. 401 et seq.), for a contract for services unless such
22 executive agency: (1) has awarded and entered into such
23 contract in full compliance with such Act and the regula-
24 tions promulgated thereunder; and (2) requires any report
25 prepared pursuant to such contract, including plans, eval-

1 uations, studies, analyses and manuals, and any report
2 prepared by the agency which is substantially derived from
3 or substantially includes any report prepared pursuant to
4 such contract, to contain information concerning: (A) the
5 contract pursuant to which the report was prepared; and
6 (B) the contractor who prepared the report pursuant to
7 such contract.

8 SEC. 412. Except as otherwise provided in section
9 406, none of the funds provided in this Act to any depart-
10 ment or agency shall be obligated or expended to provide
11 a personal cook, chauffeur, or other personal servants to
12 any officer or employee of such department or agency.

13 SEC. 413. None of the funds provided in this Act to
14 any department or agency shall be obligated or expended
15 to procure passenger automobiles as defined in 15 U.S.C.
16 2001 with an EPA estimated miles per gallon average of
17 less than 22 miles per gallon.

18 SEC. 414. None of the funds appropriated in title I
19 of this Act shall be used to enter into any new lease of
20 real property if the estimated annual rental is more than
21 \$300,000 unless the Secretary submits, in writing, a re-
22 port to the Committees on Appropriations of the Congress
23 and a period of 30 days has expired following the date
24 on which the report is received by the Committees on Ap-
25 propriations.

1 SEC. 415. (a) It is the sense of the Congress that,
2 to the greatest extent practicable, all equipment and prod-
3 ucts purchased with funds made available in this Act
4 should be American-made.

5 (b) In providing financial assistance to, or entering
6 into any contract with, any entity using funds made avail-
7 able in this Act, the head of each Federal agency, to the
8 greatest extent practicable, shall provide to such entity a
9 notice describing the statement made in subsection (a) by
10 the Congress.

11 SEC. 416. None of the funds appropriated in this Act
12 may be used to implement any cap on reimbursements to
13 grantees for indirect costs, except as published in Office
14 of Management and Budget Circular A-21.

15 SEC. 417. Such sums as may be necessary for fiscal
16 year 1999 pay raises for programs funded by this Act shall
17 be absorbed within the levels appropriated in this Act.

18 SEC. 418. None of the funds made available in this
19 Act may be used for any program, project, or activity,
20 when it is made known to the Federal entity or official
21 to which the funds are made available that the program,
22 project, or activity is not in compliance with any Federal
23 law relating to risk assessment, the protection of private
24 property rights, or unfunded mandates.

1 SEC. 419. Corporations and agencies of the Depart-
2 ment of Housing and Urban Development which are sub-
3 ject to the Government Corporation Control Act, as
4 amended, are hereby authorized to make such expendi-
5 tures, within the limits of funds and borrowing authority
6 available to each such corporation or agency and in accord
7 with law, and to make such contracts and commitments
8 without regard to fiscal year limitations as provided by
9 section 104 of the Act as may be necessary in carrying
10 out the programs set forth in the budget for 1999 for such
11 corporation or agency except as hereinafter provided: *Pro-*
12 *vided*, That collections of these corporations and agencies
13 may be used for new loan or mortgage purchase commit-
14 ments only to the extent expressly provided for in this Act
15 (unless such loans are in support of other forms of assist-
16 ance provided for in this or prior appropriations Acts), ex-
17 cept that this proviso shall not apply to the mortgage in-
18 surance or guaranty operations of these corporations, or
19 where loans or mortgage purchases are necessary to pro-
20 tect the financial interest of the United States Govern-
21 ment.

22 SEC. 420. Notwithstanding section 320(g) of the
23 Federal Water Pollution Control Act (33 U.S.C. 1330(g)),
24 funds made available pursuant to authorization under
25 such section for fiscal year 1999 and prior fiscal years

1 may be used for implementing comprehensive conservation
2 and management plans.

3 SEC. 421. Notwithstanding any other provision of
4 law, the term “qualified student loan” with respect to na-
5 tional service education awards shall mean any loan made
6 directly to a student by the Alaska Commission on Post-
7 secondary Education, in addition to other meanings under
8 section 148(b)(7) of the National and Community Service
9 Act.

10 SEC. 422. Notwithstanding any other law, funds
11 made available by this or any other Act to the Environ-
12 mental Protection Agency, the National Science Founda-
13 tion, or the National Aeronautics and Space Administra-
14 tion for the United States/Mexico Foundation for Science
15 may be used for the endowment of such Foundation.

16 SEC. 423. (a) Subparagraph (A) of section 203(b)(2)
17 of the National Housing Act (12 U.S.C. 1709(b)(2)(A))
18 is amended by striking clause (ii) and all that follows
19 through the end of the subparagraph and inserting the
20 following:

21 “(ii) 87 percent of the dollar amount
22 limitation determined under section
23 305(a)(2) of the Federal Home Loan
24 Mortgage Corporation Act for a residence
25 of the applicable size; except that the dol-

1 lar amount limitation in effect for any area
2 under this subparagraph may not be less
3 than 48 percent of the dollar limitation de-
4 termined under section 305(a)(2) of the
5 Federal Home Loan Mortgage Corporation
6 Act for a residence of the applicable size;
7 and”,

8 and, in addition to the amounts appropriated in other
9 parts of this Act, \$10,000,000 is appropriated to the De-
10 partment of Veterans Affairs, “Medical and prosthetic re-
11 search”, and \$70,000,000 is appropriated to the National
12 Science Foundation, “Research and related activities”.

13 (b) The first sentence in the matter following section
14 203(b)(2)(B)(iii) of the National Housing Act (12 U.S.C.
15 1709(b)(2)(B)(iii) is amended to read as follows: “For
16 purposes of the preceding sentence, the term ‘area’ means
17 a metropolitan statistical area as established by the Office
18 of Management and Budget; and the median 1-family
19 house price for an area shall be equal to the median 1-
20 family house price of the county within the area that has
21 the highest such median price.”.

22 SEC. 424. (a) The Consumer Product Safety Com-
23 mission shall contract with the National Institute on Envi-
24 ronmental Health Sciences (NIEHS) to conduct a thor-
25 ough study of the toxicity of all the flame retardant chemi-

1 cals identified by the Commission as likely candidates for
2 addition to residential upholstered furniture for the pur-
3 pose of meeting regulations proposed by the Commission
4 for flame-resistance of residential upholstered furniture.
5 Where NIEHS has existing adequate information regard-
6 ing the chemicals identified by the Commission, such in-
7 formation can be transmitted to the Commission in lieu
8 of an additional study on those chemicals.

9 (b) The Commission shall establish a Chronic Hazard
10 Advisory Panel, according to the provisions of section 28
11 of the Consumer Product Safety Act (15 U.S.C. 2077),
12 convened for the purpose of advising the Commission on
13 the potential health effects and hazards, including carcino-
14 genicity, neurotoxicity, mutagenicity, and other chronic
15 and acute effects on consumers exposed to fabrics in-
16 tended to be used in residential upholstered furniture
17 which would be chemically treated to meet the Commis-
18 sion's proposed flame-resistant standards. In lieu of the
19 requirements of section 31(b)(2)(B) of such Act (15
20 U.S.C. 2080(b)(2)(B)), the Panel may meet for up to 1
21 year.

22 (c) The Chronic Hazard Advisory Panel convened by
23 the Commission under subsection (b) for purposes of ad-
24 vising the Commission concerning the chronic hazards of
25 flame-retardant chemicals in residential upholstered fur-

1 niture shall complete its work and furnish its report to
2 the Commission not later than one year after the date of
3 the establishment of the Panel, except that if the Panel
4 finds that it is unable to complete its work adequately
5 within the one year after its establishment, it shall—

6 (1) advise the Commission that it will be unable
7 to complete its work within one year;

8 (2) furnish the Commission with an interim re-
9 port at the expiration of such year discussing its
10 findings to date; and

11 (3) provide the Commission with an estimated
12 date on which it will complete its work and submit
13 a final report to the Commission.

14 (d) The Commission shall furnish the interim report,
15 and the estimated date on which the Panel will complete
16 its final report, to the House Committee on Commerce,
17 the Senate Committee on Commerce, Science and Trans-
18 portation, the House Committee on Appropriations and
19 Senate Committee on Appropriations. The Commission
20 shall furnish the final report to the House Committee on
21 Commerce, the Senate Committee on Commerce, Science
22 and Transportation, the House Committee on Appropria-
23 tions and Senate Committee on Appropriations.

24 (e) No additional funds shall be expended by the
25 Commission on developing flammability standards for resi-

1 dential upholstered furniture until 3 months after the
2 Commission has furnished either the interim report or the
3 final report of the Panel to the House Committee on Com-
4 merce, the Senate Committee on Commerce, Science and
5 Transportation, the House Committee on Appropriations
6 and Senate Committee on Appropriations.

7 (f) The Commission, before promulgating any final
8 rule setting flammability standards for residential uphol-
9 stered furniture shall report to the House Committee on
10 Commerce, the Senate Committee on Commerce, Science
11 and Transportation, the House Committee on Appropria-
12 tions and Senate Committee on Appropriations on the re-
13 port of the Panel, and the anticipated costs of the flam-
14 mability standards regulation, including costs resulting
15 from—

16 (1) public exposure to flame-retardant chemi-
17 cals in residential upholstered furniture;

18 (2) exposure of workers to flame-retardant
19 chemicals in the manufacture, distribution and sale
20 of textiles and residential upholstered furniture;

21 (3) the generating, tracking, and disposing of
22 flame-retardant chemicals and hazardous wastes
23 generated from the handling of flame-retardant
24 chemicals used on textiles and residential uphol-
25 stered furniture; and

1 (4) limited availability in particular geographic
2 regions of competing flame-resistant chemicals ap-
3 proved for use for residential upholstered furniture.

4 (g) In addition to amounts appropriated elsewhere in
5 this Act, there is appropriated to the Consumer Product
6 Safety Commission \$5,000,000 to carry out this section.

7 SEC. 425. The amount otherwise provided by this Act
8 for “Department of Veterans Affairs, Veterans Health Ad-
9 ministration, Medical care” equipment, land, and struc-
10 tures object classification, is hereby reduced by
11 \$69,000,000.

12 SEC. 426. None of the funds made available under
13 this heading may be used to develop and enforce the
14 standard for the flammability of children’s sleepware sizes
15 0 through 6X (contained in regulations published at 16
16 CFR part 1615) and sizes 7 through 14 (contained in reg-
17 ulations published at 16 CFR part 1616) as the standard
18 was amended effective January 1, 1997.

19 SEC. 427. The amounts otherwise provided by this
20 Act are revised by reducing the amount made available
21 under the heading “DEPARTMENT OF HOUSING
22 AND URBAN DEVELOPMENT—FEDERAL HOUSING
23 ADMINISTRATION—FHA—MUTUAL MORTGAGE INSUR-
24 ANCE PROGRAM ACCOUNT” for non-overhead administra-
25 tive expenses necessary to carry out the Mutual Mortgage

1 Insurance guarantee and direct loan program, and in-
2 creasing the amount made available for “DEPARTMENT
3 OF VETERANS AFFAIRS—VETERANS HEALTH AD-
4 MINISTRATION—MEDICAL CARE”, by \$199,999,999.

5 SEC. 428. The amounts otherwise provided by this
6 Act are revised by reducing the amount made available
7 under the heading “DEPARTMENT OF HOUSING
8 AND URBAN DEVELOPMENT—FEDERAL HOUSING
9 ADMINISTRATION—FHA—GENERAL AND SPECIAL RISK
10 PROGRAM ACCOUNT” for non-overhead administrative ex-
11 penses necessary to carry out the guaranteed and direct
12 loan programs, and increasing the amount made available
13 for “DEPARTMENT OF VETERANS AFFAIRS—VET-
14 ERANS HEALTH ADMINISTRATION—MEDICAL CARE”, by
15 \$103,999,999.

16 SEC. 429. None of the funds made available in this
17 Act (including amounts made available for salaries and ex-
18 penses) may be used by the Director of the Federal Emer-
19 gency Management Agency to take any action—

20 (1) to permit Kaiser Permanente to transfer
21 any of the funds made available to the Kaiser
22 Permanente hospital in Panorama City, California,
23 under the Seismic Hazard Mitigation Program for
24 Hospitals (including funds made available before Oc-
25 tober 1, 1998) to any other facility; or

1 (2) to permit Kaiser Permanente to use any of
2 the funds described in paragraph (1) to relocate the
3 hospital to a site that is located more than 3 miles
4 from the current site of the hospital.

5 If, before October 1, 1998, the Director takes an action
6 described in paragraph (1) or (2), the Director shall re-
7 scind the action.

8 SEC. 430. None of the funds made available in this
9 Act may be used for researching methods to reduce meth-
10 ane emissions from cows, sheep, or any other ruminant
11 livestock.

12 SEC. 431. None of the funds made available in this
13 Act may be used to carry out Executive Order No. 13083.

14 SEC. 432. The amounts otherwise provided by this
15 Act are revised by reducing the amount made available
16 for “DEPARTMENT OF HOUSING AND URBAN DE-
17 VELOPMENT—COMMUNITY PLANNING AND DEVELOP-
18 MENT—HOUSING OPPORTUNITIES FOR PERSONS WITH
19 AIDS”, and increasing the amount made available for
20 “DEPARTMENT OF VETERANS AFFAIRS—DE-
21 PARTMENTAL ADMINISTRATION—GRANTS FOR CON-
22 STRUCTION OF STATE EXTENDED CARE FACILITIES”, by
23 \$21,000,000.

1 SEC. 433. None of the funds appropriated by this Act
 2 may be used to implement section 12B.2(b) of the Admin-
 3 istrative Code of San Francisco, California.

4 Titles I, II, III, and IV of this Act may be cited as
 5 the “Departments of Veterans Affairs and Housing and
 6 Urban Development, and Independent Agencies Appro-
 7 priations Act, 1999”.

8 **DIVISION B—HOUSING OPPOR-** 9 **TUNITY AND RESPONSIBILITY**

10 **SEC. 1001. SHORT TITLE AND TABLE OF CONTENTS.**

11 (a) SHORT TITLE.—This division may be cited as the
 12 “Housing Opportunity and Responsibility Act of 1998”.

13 (b) TABLE OF CONTENTS.—The table of contents for
 14 this division is as follows:

DIVISION B—HOUSING OPPORTUNITY AND RESPONSIBILITY

Sec. 1001. Short title and table of contents.

Sec. 1002. Permanent applicability.

Sec. 1003. Declaration of policy to renew American neighborhoods.

TITLE XI—GENERAL PROVISIONS

Sec. 1101. Statement of purpose.

Sec. 1102. Definitions.

Sec. 1103. Organization of public housing agencies.

Sec. 1104. Determination of adjusted income and median income.

Sec. 1105. Community work and family self-sufficiency requirements.

Sec. 1106. Local housing management plans.

Sec. 1107. Review of plans.

Sec. 1108. Reporting requirements.

Sec. 1109. Pet ownership.

Sec. 1110. Administrative grievance procedure.

Sec. 1111. Headquarters reserve fund.

Sec. 1112. Labor standards.

Sec. 1113. Nondiscrimination.

Sec. 1114. Prohibition on use of funds.

Sec. 1115. Inapplicability to Indian housing.

Sec. 1116. Regulations.

TITLE XII—PUBLIC HOUSING

Subtitle A—Block Grants

- Sec. 1201. Block grant contracts.
- Sec. 1202. Grant authority, amount, and eligibility.
- Sec. 1203. Eligible and required activities.
- Sec. 1204. Determination of grant allocation.
- Sec. 1205. Sanctions for improper use of amounts.

Subtitle B—Admissions and Occupancy Requirements

- Sec. 1221. Low-income housing requirement.
- Sec. 1222. Family eligibility.
- Sec. 1223. Preferences for occupancy.
- Sec. 1224. Admission procedures.
- Sec. 1225. Family choice of rental payment.
- Sec. 1226. Lease requirements.
- Sec. 1227. Designated housing for elderly and disabled families.

Subtitle C—Management

- Sec. 1231. Management procedures.
- Sec. 1232. Housing quality requirements.
- Sec. 1233. Employment of residents.
- Sec. 1234. Resident councils and resident management corporations.
- Sec. 1235. Management by resident management corporation.
- Sec. 1236. Transfer of management of certain housing to independent manager
at request of residents.
- Sec. 1237. Resident opportunity program.

Subtitle D—Homeownership

- Sec. 1251. Resident homeownership programs.

Subtitle E—Disposition, Demolition, and Revitalization of Developments

- Sec. 1261. Requirements for demolition and disposition of developments.
- Sec. 1262. Demolition, site revitalization, replacement housing, and choice-based assistance grants for developments.
- Sec. 1263. Voluntary voucher system for public housing.

Subtitle F—Mixed-Finance Public Housing

- Sec. 1271. Authority.
- Sec. 1272. Mixed-finance housing developments.
- Sec. 1273. Mixed-finance housing plan.
- Sec. 1274. Rent levels for housing financed with low-income housing tax credit.
- Sec. 1275. Carry-over of assistance for replaced housing.

Subtitle G—General Provisions

- Sec. 1281. Payment of non-Federal share.
- Sec. 1282. Authorization of appropriations for block grants.
- Sec. 1283. Funding for operation safe home.
- Sec. 1284. Funding for relocation of victims of domestic violence.

TITLE XIII—CHOICE-BASED RENTAL HOUSING AND
HOMEOWNERSHIP ASSISTANCE FOR LOW-INCOME FAMILIES

Subtitle A—Allocation

- Sec. 1301. Authority to provide housing assistance amounts.
- Sec. 1302. Contracts with PHA's.
- Sec. 1303. Eligibility of PHA's for assistance amounts.
- Sec. 1304. Allocation of amounts.
- Sec. 1305. Administrative fees.
- Sec. 1306. Authorizations of appropriations.
- Sec. 1307. Conversion of section 8 assistance.
- Sec. 1308. Recapture and reuse of annual contract project reserves under choice-based housing assistance and section 8 tenant-based assistance programs.

Subtitle B—Choice-Based Housing Assistance for Eligible Families

- Sec. 1321. Eligible families and preferences for assistance.
- Sec. 1322. Resident contribution.
- Sec. 1323. Rental indicators.
- Sec. 1324. Lease terms.
- Sec. 1325. Termination of tenancy.
- Sec. 1326. Eligible owners.
- Sec. 1327. Selection of dwelling units.
- Sec. 1328. Eligible dwelling units.
- Sec. 1329. Homeownership option.
- Sec. 1330. Assistance for rental of manufactured homes.

Subtitle C—Payment of Housing Assistance on Behalf of Assisted Families

- Sec. 1351. Housing assistance payments contracts.
- Sec. 1352. Amount of monthly assistance payment.
- Sec. 1353. Payment standards.
- Sec. 1354. Reasonable rents.
- Sec. 1355. Prohibition of assistance for vacant rental units.

Subtitle D—General and Miscellaneous Provisions

- Sec. 1371. Definitions.
- Sec. 1372. Rental assistance fraud recoveries.
- Sec. 1373. Study regarding geographic concentration of assisted families.
- Sec. 1374. Study regarding rental assistance.

TITLE XIV—HOME RULE FLEXIBLE GRANT OPTION

- Sec. 1401. Purpose.
- Sec. 1402. Flexible grant program.
- Sec. 1403. Covered housing assistance.
- Sec. 1404. Program requirements.
- Sec. 1405. Applicability of certain provisions.
- Sec. 1406. Application.
- Sec. 1407. Training.
- Sec. 1408. Accountability.
- Sec. 1409. Definitions.

TITLE XV—ACCOUNTABILITY AND OVERSIGHT OF PUBLIC HOUSING AGENCIES

Subtitle A—Study of Alternative Methods for Evaluating Public Housing Agencies

- Sec. 1501. In general.
- Sec. 1502. Purposes.
- Sec. 1503. Evaluation of various performance evaluation systems.
- Sec. 1504. Consultation.
- Sec. 1505. Contract to conduct study.
- Sec. 1506. Report.
- Sec. 1507. Funding.
- Sec. 1508. Effective date.

Subtitle B—Housing Evaluation and Accreditation Board

- Sec. 1521. Establishment.
- Sec. 1522. Membership.
- Sec. 1523. Functions.
- Sec. 1524. Powers.
- Sec. 1525. Fees.
- Sec. 1526. GAO audit.

Subtitle C—Interim Applicability of Public Housing Management Assessment Program

- Sec. 1531. Interim applicability.
- Sec. 1532. Management assessment indicators.
- Sec. 1533. Designation of PHA's.
- Sec. 1534. On-site inspection of troubled PHA's.
- Sec. 1535. Administration.

Subtitle D—Accountability and Oversight Standards and Procedures

- Sec. 1541. Audits.
- Sec. 1542. Performance agreements for authorities at risk of becoming troubled.
- Sec. 1543. Performance agreements and CDBG sanctions for troubled PHA's.
- Sec. 1544. Option to demand conveyance of title to or possession of public housing.
- Sec. 1545. Removal of ineffective PHA's.
- Sec. 1546. Mandatory takeover of chronically troubled PHA's.
- Sec. 1547. Treatment of troubled PHA's.
- Sec. 1548. Maintenance of records.
- Sec. 1549. Annual reports regarding troubled PHA's.
- Sec. 1550. Applicability to resident management corporations.
- Sec. 1551. Advisory council for Housing Authority of New Orleans.

TITLE XVI—REPEALS AND RELATED AMENDMENTS

Subtitle A—Repeals, Effective Date, and Savings Provisions

- Sec. 1601. Effective date and repeal of United States Housing Act of 1937.
- Sec. 1602. Other repeals.

Subtitle B—Other Provisions Relating to Public Housing and Rental Assistance Programs

- Sec. 1621. Allocation of elderly housing amounts.
- Sec. 1622. Pet ownership.
- Sec. 1623. Review of drug elimination program contracts.
- Sec. 1624. Amendments to Public and Assisted Housing Drug Elimination Act of 1990.

Subtitle C—Limitations Relating to Occupancy in Federally Assisted Housing

- Sec. 1641. Screening of applicants.
- Sec. 1642. Termination of tenancy and assistance for illegal drug users and alcohol abusers.
- Sec. 1643. Lease requirements.
- Sec. 1644. Availability of criminal records for tenant screening and eviction.
- Sec. 1645. Definitions.

TITLE XVII—AFFORDABLE HOUSING AND MISCELLANEOUS PROVISIONS

- Sec. 1701. Rural housing assistance.
- Sec. 1702. Treatment of occupancy standards.
- Sec. 1703. Implementation of plan.
- Sec. 1704. Income eligibility for HOME and CDBG programs.
- Sec. 1705. Prohibition of use of CDBG grants for employment relocation activities.
- Sec. 1706. Regional cooperation under CDBG economic development initiative.
- Sec. 1707. Use of American products.
- Sec. 1708. Consultation with affected areas in settlement of litigation.
- Sec. 1709. Treatment of PHA repayment agreement.
- Sec. 1710. Use of assisted housing by aliens.
- Sec. 1711. Protection of senior homeowners under reverse mortgage program.
- Sec. 1712. Conversion of section 8 tenant-based assistance to project-based assistance in the Borough of Tamaqua.
- Sec. 1713. Housing counseling.
- Sec. 1714. Transfer of surplus real property for providing housing for low- and moderate-income families.
- Sec. 1715. Effective date.

1 **SEC. 1002. PERMANENT APPLICABILITY.**

2 Upon effectiveness pursuant to section 1601(a), the
 3 provisions of this division and the amendments made by
 4 this division shall apply thereafter, except to the extent
 5 otherwise specifically provided in this division or the
 6 amendments made by this division.

7 **SEC. 1003. DECLARATION OF POLICY TO RENEW AMERICAN**
 8 **NEIGHBORHOODS.**

9 The Congress hereby declares that—

10 (1) the Federal Government has a responsibility
 11 to promote the general welfare of the Nation—

1 (A) by using Federal resources to aid fami-
2 lies and individuals seeking affordable homes
3 that are safe, clean, and healthy and, in par-
4 ticular, assisting responsible, deserving citizens
5 who cannot provide fully for themselves because
6 of temporary circumstances or factors beyond
7 their control;

8 (B) by working to ensure a thriving na-
9 tional economy and a strong private housing
10 market; and

11 (C) by developing effective partnerships
12 among the Federal Government, State and local
13 governments, and private entities that allow
14 government to accept responsibility for foster-
15 ing the development of a healthy marketplace
16 and allow families to prosper without govern-
17 ment involvement in their day-to-day activities;

18 (2) the Federal Government cannot through its
19 direct action alone provide for the housing of every
20 American citizen, or even a majority of its citizens,
21 but it is the responsibility of the Government to pro-
22 mote and protect the independent and collective ac-
23 tions of private citizens to develop housing and
24 strengthen their own neighborhoods;

1 (3) the Federal Government should act where
2 there is a serious need that private citizens or
3 groups cannot or are not addressing responsibly;

4 (4) housing is a fundamental and necessary
5 component of bringing true opportunity to people
6 and communities in need, but providing physical
7 structures to house low-income families will not by
8 itself pull generations up from poverty;

9 (5) it is a goal of our Nation that all citizens
10 have decent and affordable housing; and

11 (6) our Nation should promote the goal of pro-
12 viding decent and affordable housing for all citizens
13 through the efforts and encouragement of Federal,
14 State, and local governments, and by the independ-
15 ent and collective actions of private citizens, organi-
16 zations, and the private sector.

17 **TITLE XI—GENERAL** 18 **PROVISIONS**

19 **SEC. 1101. STATEMENT OF PURPOSE.**

20 The purpose of this division is to promote safe, clean,
21 and healthy housing that is affordable to low-income fami-
22 lies, and thereby contribute to the supply of affordable
23 housing, by—

1 (1) deregulating and decontrolling public hous-
2 ing agencies, thereby enabling them to perform as
3 property and asset managers;

4 (2) providing for more flexible use of Federal
5 assistance to public housing agencies, allowing the
6 authorities to leverage and combine assistance
7 amounts with amounts obtained from other sources;

8 (3) facilitating mixed income communities;

9 (4) increasing accountability and rewarding ef-
10 fective management of public housing agencies;

11 (5) creating incentives and economic opportuni-
12 ties for residents of dwelling units assisted by public
13 housing agencies to work, become self-sufficient, and
14 transition out of public housing and federally as-
15 sisted dwelling units;

16 (6) recreating the existing rental assistance
17 voucher program so that the use of vouchers and re-
18 lationships between landlords and tenants under the
19 program operate in a manner that more closely re-
20 sembles the private housing market; and

21 (7) remedying troubled public housing agencies
22 and replacing or revitalizing severely distressed pub-
23 lic housing developments.

1 **SEC. 1102. DEFINITIONS.**

2 For purposes of this division, the following definitions
3 shall apply:

4 (1) **ACQUISITION COST.**—When used in ref-
5 erence to public housing, the term “acquisition cost”
6 means the amount prudently expended by a public
7 housing agency in acquiring property for a public
8 housing development.

9 (2) **DEVELOPMENT.**—The terms “public hous-
10 ing development” and “development” (when used in
11 reference to public housing) mean—

12 (A) public housing; and

13 (B) the improvement of any such housing.

14 (3) **DISABLED FAMILY.**—The term “disabled
15 family” means a family whose head (or his or her
16 spouse), or whose sole member, is a person with dis-
17 abilities. Such term includes 2 or more persons with
18 disabilities living together, and 1 or more such per-
19 sons living with 1 or more persons determined under
20 the regulations of the Secretary to be essential to
21 their care or well-being.

22 (4) **DRUG-RELATED CRIMINAL ACTIVITY.**—The
23 term “drug-related criminal activity” means the ille-
24 gal manufacture, sale, distribution, use, or posses-
25 sion with intent to manufacture, sell, distribute, or
26 use, of a controlled substance (as such term is de-

1 fined in section 102 of the Controlled Substances
2 Act).

3 (5) EFFECTIVE DATE.—The term “effective
4 date”, when used in reference to this division, means
5 the effective date determined under section 1601(a).

6 (6) ELDERLY FAMILIES AND NEAR ELDERLY
7 FAMILIES.—The terms “elderly family” and “near-
8 elderly family” mean a family whose head (or his or
9 her spouse), or whose sole member, is an elderly per-
10 son or a near-elderly person, respectively. Such
11 terms include two or more elderly persons or near-
12 elderly persons living together, and one or more such
13 persons living with one or more persons determined
14 under the regulations of the Secretary to be essential
15 to their care or well-being.

16 (7) ELDERLY PERSON.—The term “elderly per-
17 son” means a person who is at least 62 years of age.

18 (8) ELIGIBLE PUBLIC HOUSING AGENCY.—The
19 term “eligible public housing agency” means, with
20 respect to a fiscal year, a public housing agency that
21 is eligible under section 1202(d) for a grant under
22 this title.

23 (9) FAMILY.—The term “family” includes a
24 family with or without children, an elderly family, a

1 near-elderly family, a disabled family, and a single
2 person.

3 (10) GROUP HOME AND INDEPENDENT LIVING
4 FACILITY.—The terms “group home” and “inde-
5 pendent living facility” have the meanings given
6 such terms in section 811(k) of the Cranston-Gon-
7 zalez National Affordable Housing Act.

8 (11) INCOME.—The term “income” means, with
9 respect to a family, income from all sources of each
10 member of the household, as determined in accord-
11 ance with criteria prescribed by the applicable public
12 housing agency and the Secretary, except that the
13 following amounts shall be excluded:

14 (A) Any amounts not actually received by
15 the family.

16 (B) Any amounts that would be eligible for
17 exclusion under section 1613(a)(7) of the Social
18 Security Act.

19 (12) LOCAL HOUSING MANAGEMENT PLAN.—
20 The term “local housing management plan” means,
21 with respect to any fiscal year, the plan under sec-
22 tion 1106 of a public housing agency for such fiscal
23 year.

24 (13) LOW-INCOME FAMILY.—The term “low-in-
25 come family” means a family whose income does not

1 exceed 80 percent of the median income for the
2 area, as determined by the Secretary with adjust-
3 ments for smaller and larger families, except that
4 the Secretary may, for purposes of this paragraph,
5 establish income ceilings higher or lower than 80
6 percent of the median for the area on the basis of
7 the public housing agency's findings that such vari-
8 ations are necessary because of unusually high or
9 low family incomes.

10 (14) LOW-INCOME HOUSING.—The term “low-
11 income housing” means dwellings that comply with
12 the requirements—

13 (A) under title XII for assistance under
14 such title for the dwellings; or

15 (B) under title XIII for rental assistance
16 payments under such title for the dwellings.

17 (15) NEAR-ELDERLY PERSON.—The term
18 “near-elderly person” means a person who is at least
19 55 years of age.

20 (16) OPERATION.—When used in reference to
21 public housing, the term “operation” means any or
22 all undertakings appropriate for management, oper-
23 ation, services, maintenance, security (including the
24 cost of security personnel), or financing in connec-

tion with a public housing development, including the financing of resident programs and services.

(17) PERSON WITH DISABILITIES.—The term “person with disabilities” means a person who—

(A) has a disability as defined in section 223 of the Social Security Act;

(B) is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment which (i) is expected to be of long-continued and indefinite duration, (ii) substantially impedes his or her ability to live independently, and (iii) is of such a nature that such ability could be improved by more suitable housing conditions; or

(C) has a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act.

Such term shall not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome. Notwithstanding any other provision of law, no individual shall be considered a person with disabilities, for purposes of eligibility for public housing under title XII of this Act, solely on the basis of any drug or alcohol de-

1 pendence. The Secretary shall consult with other ap-
2 propriate Federal agencies to implement the preced-
3 ing sentence.

4 (18) PRODUCTION.—When used in reference to
5 public housing, the term “production” means any or
6 all undertakings necessary for planning, land acqui-
7 sition, financing, demolition, construction, or equip-
8 ment, in connection with the construction, acquisi-
9 tion, or rehabilitation of a property for use as a pub-
10 lic housing development, including activity in connec-
11 tion with a public housing development that is con-
12 fined to the reconstruction, remodeling, or repair of
13 existing buildings.

14 (19) PRODUCTION COST.—When used in ref-
15 erence to public housing, the term “production cost”
16 means the costs incurred by a public housing agency
17 for production of public housing and the necessary
18 financing for production (including the payment of
19 carrying charges and acquisition costs).

20 (20) PUBLIC HOUSING.—The term “public
21 housing” means housing, and all necessary appur-
22 tenances thereto, that—

23 (A) is low-income housing, low-income
24 dwelling units in mixed-finance housing (as pro-
25 vided in subtitle F of title XII), or low-income

1 dwelling units in mixed income housing (as pro-
2 vided in section 1221(c)(2)); and

3 (B)(i) is subject to an annual block grant
4 contract under title XII; or

5 (ii) was subject to an annual block grant
6 contract under title XII (or an annual contribu-
7 tions contract under the United States Housing
8 Act of 1937) which is not in effect, but for
9 which occupancy is limited in accordance with
10 the requirements under section 1222(a).

11 (21) PUBLIC HOUSING AGENCY.—The term
12 “public housing agency” is defined in section 1103.

13 (22) RESIDENT COUNCIL.—The term “resident
14 council” means an organization or association that
15 meets the requirements of section 1234(a).

16 (23) RESIDENT MANAGEMENT CORPORATION.—
17 The term “resident management corporation” means
18 a corporation that meets the requirements of section
19 1234(b)(2).

20 (24) RESIDENT PROGRAM.—The term “resident
21 programs and services” means programs and serv-
22 ices for families residing in public housing develop-
23 ments. Such term may include: (A) the development
24 and maintenance of resident organizations which
25 participate in the management of public housing de-

1 velopments; (B) the training of residents to manage
2 and operate the public housing development and the
3 utilization of their services in management and oper-
4 ation of the development; (C) counseling on house-
5 hold management, housekeeping, budgeting, money
6 management, homeownership issues, child care, and
7 similar matters; (D) advice regarding resources for
8 job training and placement, education, welfare,
9 health, and other community services; (E) services
10 that are directly related to meeting resident needs
11 and providing a wholesome living environment; and
12 (F) referral to appropriate agencies in the commu-
13 nity when necessary for the provision of such serv-
14 ices. To the maximum extent available and appro-
15 priate, existing public and private agencies in the
16 community shall be used for the provision of such
17 services.

18 (25) SECRETARY.—The term “Secretary”
19 means the Secretary of Housing and Urban Develop-
20 ment.

21 (26) STATE.—The term “State” means the
22 States of the United States, the District of Colum-
23 bia, the Commonwealth of Puerto Rico, the Com-
24 monwealth of the Northern Mariana Islands, Guam,
25 the Virgin Islands, American Samoa, and any other

1 territory or possession of the United States and In-
2 dian tribes.

3 (27) VERY LOW-INCOME FAMILY.—The term
4 “very low-income family” means a low-income family
5 whose income does not exceed 50 percent of the me-
6 dian family income for the area, as determined by
7 the Secretary with adjustments for smaller and larg-
8 er families, except that the Secretary may, for pur-
9 poses of this paragraph, establish income ceilings
10 higher or lower than 50 percent of the median for
11 the area on the basis of the public housing agency’s
12 findings that such variations are necessary because
13 of unusually high or low family incomes.

14 **SEC. 1103. ORGANIZATION OF PUBLIC HOUSING AGENCIES.**

15 (a) REQUIREMENTS.—For purposes of this division,
16 the terms “public housing agency” and “agency” mean
17 any entity that—

18 (1) is—

19 (A) a public housing agency that was au-
20 thorized under the United States Housing Act
21 of 1937 to engage in or assist in the develop-
22 ment or operation of low-income housing;

23 (B) authorized under this division to en-
24 gage in or assist in the development or oper-
25 ation of low-income housing by any State, coun-

1 ty, municipality, or other governmental body or
2 public entity;

3 (C) an entity authorized by State law to
4 administer choice-based housing assistance
5 under title XIII; or

6 (D) an entity selected by the Secretary,
7 pursuant to subtitle D of title XV, to manage
8 housing; and

9 (2) complies with the requirements under sub-
10 section (b).

11 The term does not include any entity that is an Indian
12 housing authority for purposes of the United States Hous-
13 ing Act of 1937 (as in effect before the effectiveness of
14 the Native American Housing Assistance and Self-Deter-
15 mination Act of 1996) or a tribally designated housing en-
16 tity, as such term is defined in section 4 of the Native
17 American Housing Assistance and Self-Determination Act
18 of 1996.

19 (b) GOVERNANCE.—

20 (1) BOARD OF DIRECTORS.—Each public hous-
21 ing agency shall have a board of directors or other
22 form of governance as prescribed in State or local
23 law. No person may be barred from serving on such
24 board or body because of such person's residency in

1 a public housing development or status as an as-
2 sisted family under title XIII.

3 (2) RESIDENT MEMBERSHIP.—

4 (A) IN GENERAL.—Except as provided in
5 subparagraph (B), in localities in which a pub-
6 lic housing agency is governed by a board of di-
7 rectors or other similar body, the board or body
8 shall include not less than one member who is
9 an elected public housing resident member (as
10 such term is defined in paragraph (5)).

11 (B) EXCEPTIONS.—The requirement in
12 subparagraph (A) with respect to elected public
13 housing resident members shall not apply to—

14 (i) any State or local governing body
15 that serves as a public housing agency for
16 purposes of this division and whose respon-
17 sibilities include substantial activities other
18 than acting as the public housing agency,
19 except that such requirement shall apply to
20 any advisory committee or organization
21 that is established by such governing body
22 and whose responsibilities relate only to
23 the governing body's functions as a public
24 housing agency for purposes of this divi-
25 sion;

1 (ii) any public housing agency that
2 owns or operates less than 250 public
3 housing dwelling units (including any
4 agency that does not own or operate public
5 housing); or

6 (iii) any public housing agency in a
7 State that requires the members of the
8 board of directors or other similar body of
9 a public housing agency to be salaried and
10 to serve on a full-time basis.

11 (3) FULL PARTICIPATION.—No public housing
12 agency may limit or restrict the capacity or offices
13 in which a member of such board or body may serve
14 on such board or body solely because of the mem-
15 ber’s status as a resident member.

16 (4) CONFLICTS OF INTEREST.—The Secretary
17 shall establish guidelines to prevent conflicts of in-
18 terest on the part of members of the board or direc-
19 tors or governing body of a public housing agency.

20 (5) DEFINITIONS.—For purposes of this sub-
21 section, the following definitions shall apply:

22 (A) ELECTED PUBLIC HOUSING RESIDENT
23 MEMBER.—The term “elected public housing
24 resident member” means, with respect to the
25 public housing agency involved, an individual

1 who is a resident member of the board of direc-
2 tors (or other similar governing body of the
3 agency) by reason of election to such position
4 pursuant to an election—

5 (i) in which eligibility for candidacy in
6 such election is limited to individuals
7 who—

8 (I) maintain their principal resi-
9 dence in a dwelling unit of public
10 housing administered or assisted by
11 the agency; and

12 (II) have not been convicted of a
13 felony;

14 (ii) in which only residents of dwelling
15 units of public housing administered by the
16 agency may vote; and

17 (iii) that is conducted in accordance
18 with standards and procedures for such
19 election, which shall be established by the
20 Secretary.

21 (B) RESIDENT MEMBER.—The term “resi-
22 dent member” means a member of the board of
23 directors or other similar governing body of a
24 public housing agency who is a resident of a
25 public housing dwelling unit owned, adminis-

1 tered, or assisted by the agency or is a member
2 of an assisted family (as such term is defined
3 in section 1371) assisted by the agency.

4 (c) ESTABLISHMENT OF POLICIES.—Any rules, regu-
5 lations, policies, standards, and procedures necessary to
6 implement policies required under section 1106 to be in-
7 cluded in the local housing management plan for a public
8 housing agency shall be approved by the board of directors
9 or similar governing body of the agency and shall be pub-
10 licly available for review upon request.

11 **SEC. 1104. DETERMINATION OF ADJUSTED INCOME AND**
12 **MEDIAN INCOME.**

13 (a) ADJUSTED INCOME.—For purposes of this divi-
14 sion, the term “adjusted income” means, with respect to
15 a family, the difference between the income of the mem-
16 bers of the family residing in a dwelling unit or the per-
17 sons on a lease and the amount of any income exclusions
18 for the family under subsections (b) and (c), as deter-
19 mined by the public housing agency.

20 (b) MANDATORY EXCLUSIONS FROM INCOME.—In
21 determining adjusted income, a public housing agency
22 shall exclude from the annual income of a family the fol-
23 lowing amounts:

24 (1) ELDERLY AND DISABLED FAMILIES.—\$400
25 for any elderly or disabled family.

1 (2) MEDICAL EXPENSES.—The amount by
2 which 3 percent of the annual family income is ex-
3 ceeded by the sum of—

4 (A) unreimbursed medical expenses of any
5 elderly family;

6 (B) unreimbursed medical expenses of any
7 nonelderly family, except that this subpara-
8 graph shall apply only to the extent approved in
9 appropriation Acts; and

10 (C) unreimbursed reasonable attendant
11 care and auxiliary apparatus expenses for each
12 handicapped member of the family, to the ex-
13 tent necessary to enable any member of such
14 family (including such handicapped member) to
15 be employed.

16 (3) CHILD CARE EXPENSES.—Any reasonable
17 child care expenses necessary to enable a member of
18 the family to be employed or to further his or her
19 education.

20 (4) MINORS, STUDENTS, AND PERSONS WITH
21 DISABILITIES.—\$480 for each member of the family
22 residing in the household (other than the head of the
23 household or his or her spouse) who is less than 18
24 years of age or is attending school or vocational

1 training on a full-time basis, or who is 18 years of
2 age or older and is a person with disabilities.

3 (5) CHILD SUPPORT PAYMENTS.—Any payment
4 made by a member of the family for the support and
5 maintenance of any child who does not reside in the
6 household, except that the amount excluded under
7 this paragraph may not exceed \$480 for each child
8 for whom such payment is made.

9 (6) EARNED INCOME OF MINORS.—The amount
10 of any earned income of a member of the family who
11 is not—

12 (A) 18 years of age or older; and

13 (B) the head of the household (or the
14 spouse of the head of the household).

15 (c) PERMISSIVE EXCLUSIONS FROM INCOME.—In de-
16 termining adjusted income, a public housing agency may,
17 in the discretion of the agency, establish exclusions from
18 the annual income of a family. Such exclusions may in-
19 clude the following amounts:

20 (1) EXCESSIVE TRAVEL EXPENSES.—Excessive
21 travel expenses in an amount not to exceed \$25 per
22 family per week, for employment- or education-relat-
23 ed travel.

24 (2) EARNED INCOME.—An amount of any
25 earned income of the family, established at the dis-

1 cretion of the public housing agency, which may be
2 based on—

3 (A) all earned income of the family,

4 (B) the amount earned by particular mem-
5 bers of the family;

6 (C) the amount earned by families having
7 certain characteristics; or

8 (D) the amount earned by families or
9 members during certain periods or from certain
10 sources.

11 (3) OTHERS.—Such other amounts for other
12 purposes, as the public housing agency may estab-
13 lish.

14 (d) MEDIAN INCOME.—In determining median in-
15 comes (of persons, families, or households) for an area or
16 establishing any ceilings or limits based on income under
17 this division, the Secretary shall determine or establish
18 area median incomes and income ceilings and limits for
19 Westchester and Rockland Counties, in the State of New
20 York, as if each such county were an area not contained
21 within the metropolitan statistical area in which it is lo-
22 cated. In determining such area median incomes or estab-
23 lishing such income ceilings or limits for the portion of
24 such metropolitan statistical area that does not include
25 Westchester or Rockland Counties, the Secretary shall de-

1 termine or establish area median incomes and income ceil-
2 ings and limits as if such portion included Westchester
3 and Rockland Counties.

4 (e) AVAILABILITY OF INCOME MATCHING INFORMA-
5 TION.—

6 (1) DISCLOSURE TO PHA.—A public housing
7 agency shall require any family described in para-
8 graph (2) who receives information regarding in-
9 come, earnings, wages, or unemployment compensa-
10 tion from the Department of Housing and Urban
11 Development pursuant to income verification proce-
12 dures of the Department to disclose such informa-
13 tion, upon receipt of the information, to the public
14 housing agency that owns or operates the public
15 housing dwelling unit in which such family resides or
16 that provides the housing assistance on behalf of
17 such family, as applicable.

18 (2) APPLICABILITY TO FAMILIES RECEIVING
19 PUBLIC HOUSING OR CHOICE-BASED HOUSING AS-
20 SISTANCE.—A family described in this paragraph is
21 a family that resides in a dwelling unit—

22 (A) that is a public housing dwelling unit;

23 or

24 (B) for which housing assistance is pro-
25 vided under title XIII (or under the program

1 for tenant-based assistance under section 8 of
2 the United States Housing Act of 1937 (as in
3 effect before the effective date of the repeal
4 under section 1601(b) of this Act)).

5 (3) PROTECTION OF APPLICANTS AND PARTICI-
6 PANTS.—Section 904 of the Stewart B. McKinney
7 Homeless Assistance Amendments Act of 1988 (42
8 U.S.C. 3544) is amended—

9 (A) in subsection (b)—

10 (i) in paragraph (2), by striking
11 “and” at the end;

12 (iii) in paragraph (3), by striking the
13 period at the end and inserting “; and”;
14 and

15 (ii) by adding at the end the following
16 new paragraph:

17 “(4) only in the case of an applicant or partici-
18 pant that is a member of a family described in sec-
19 tion 1104(e)(2) of the Housing Opportunity and Re-
20 sponsibility Act of 1998, sign an agreement under
21 which the applicant or participant agrees to provide
22 to the appropriate public housing agency the infor-
23 mation required under such section 1104(e)(1) of
24 the Housing Opportunity and Responsibility Act of
25 1998 for the sole purpose of the public housing

1 agency verifying income information pertinent to the
2 applicant's or participant's eligibility or level of ben-
3 efits, and comply with such agreement.”; and

4 (B) in subsection (c)—

5 (i) in paragraph (2)(A), in the matter
6 preceding clause (I)—

7 (I) by inserting before “or” the
8 first place it appears the following: “,
9 pursuant to section 1104(e)(1) of the
10 Housing Opportunity and Responsibil-
11 ity Act of 1997 from the applicant or
12 participant,”; and

13 (II) by inserting “or 104(e)(1)”
14 after “such section 303(i)”; and

15 (ii) in paragraph (3)—

16 (I) in subparagraph (A), by in-
17 serting “, section 1104(e)(1) of the
18 Housing Opportunity and Responsibil-
19 ity Act of 1998,” after “Social Secu-
20 rity Act”; and

21 (II) in subparagraph (A), by in-
22 serting “or agreement, as applicable,”
23 after “consent”;

24 (III) in subparagraph (B), by in-
25 serting “section 1104(e)(1) of the

1 Housing Opportunity and Responsibil-
2 ity Act of 1998,” after “Social Secu-
3 rity Act,”; and

4 (IV) in subparagraph (B), by insert-
5 ing “ such section 1104(e)(1),” after “such
6 section 303(i),” each place it appears.

7 **SEC. 1105. COMMUNITY WORK AND FAMILY SELF-SUFFI-**
8 **CIENCY REQUIREMENTS.**

9 (a) COMMUNITY WORK REQUIREMENT.—

10 (1) IN GENERAL.—Except as provided in para-
11 graph (3), each public housing agency shall require,
12 as a condition of occupancy of a public housing
13 dwelling unit by a family and of providing housing
14 assistance under title XIII on behalf of a family,
15 that each adult member of the family shall contrib-
16 ute not less than 8 hours of work per month (not
17 including political activities) within the community
18 in which the family resides, which may include work
19 performed on locations not owned by the public
20 housing agency.

21 (2) EMPLOYMENT STATUS AND LIABILITY.—

22 The requirement under paragraph (1) may not be
23 construed to establish any employment relationship
24 between the public housing agency and the member
25 of the family subject to the work requirement under

1 such paragraph or to create any responsibility, duty,
2 or liability on the part of the public housing agency
3 for actions arising out of the work done by the mem-
4 ber of the family to comply with the requirement, ex-
5 cept to the extent that the member of the family is
6 fulfilling the requirement by working directly for
7 such public housing agency.

8 (3) EXEMPTIONS.—A public housing agency
9 shall provide for the exemption, from the applicabil-
10 ity of the requirement under paragraph (1), of each
11 individual who is—

12 (A) an elderly person;

13 (B) a person with disabilities;

14 (C) working, attending school or vocational
15 training, or otherwise complying with work re-
16 quirements applicable under other public assist-
17 ance programs (as determined by the agencies
18 or organizations responsible for administering
19 such programs); or

20 (D) otherwise physically impaired to the
21 extent that they are unable to comply with the
22 requirement, as certified by a doctor.

23 (b) REQUIREMENT REGARDING TARGET DATE FOR
24 TRANSITION OUT OF ASSISTED HOUSING.—

1 (1) IN GENERAL.—Each public housing agency
2 shall require, as a condition of occupancy of a public
3 housing dwelling unit by a family and of providing
4 housing assistance under title XIII on behalf of a
5 family, that the family and the agency enter into an
6 agreement (included, pursuant to subsection
7 (d)(2)(C), as a term of an agreement under sub-
8 section (d)) establishing a target date by which the
9 family intends to graduate from, terminate tenancy
10 in, or no longer receive public housing or housing as-
11 sistance under title XIII.

12 (2) RIGHTS OF OCCUPANCY.—This subsection
13 may not be construed (nor may any provision of sub-
14 section (d) or (e)) to create a right on the part of
15 any public housing agency to evict or terminate as-
16 sistance for a family solely on the basis of any fail-
17 ure of the family to comply with the target date es-
18 tablished pursuant to paragraph (1).

19 (3) FACTORS.—In establishing a target date
20 pursuant to paragraph (1) for a family that receives
21 benefits for welfare or public assistance from a State
22 or other public agency under a program that limits
23 the duration during which such benefits may be re-
24 ceived, the public housing agency and the family
25 may take into consideration such time limit. This

1 section may not be construed to require any public
2 housing agency to adopt any such time limit on the
3 duration of welfare or public assistance benefits as
4 the target date pursuant to paragraph (1) for a resi-
5 dent.

6 (4) EXEMPTIONS.—A public housing agency
7 shall provide for the exemption, from the applicabil-
8 ity of the requirements under paragraph (1), of each
9 individual who is—

10 (A) an elderly person;

11 (B) a person with disabilities;

12 (C) working, attending school or vocational
13 training, or otherwise complying with work re-
14 quirements applicable under other public assist-
15 ance programs (as determined by the agencies
16 or organizations responsible for administering
17 such programs); or

18 (D) otherwise physically impaired to the
19 extent that they are unable to comply with the
20 requirement, as certified by a doctor.

21 (c) TREATMENT OF INCOME CHANGES RESULTING
22 FROM WELFARE PROGRAM REQUIREMENTS.—

23 (1) COVERED FAMILY.—For purposes of this
24 subsection, the term “covered family” means a fam-
25 ily that: (A) receives benefits for welfare or public

1 assistance from a State or other public agency under
2 a program for which the Federal, State, or local law
3 relating to the program requires, as a condition of
4 eligibility for assistance under the program, partici-
5 pation of a member of the family in an economic
6 self-sufficiency program; and (B) resides in a public
7 housing dwelling unit or is provided housing assist-
8 ance under title XIII.

9 (2) DECREASES IN INCOME FOR FAILURE TO
10 COMPLY.—Notwithstanding the provisions of sec-
11 tions 1225 and 1322 (relating to family rental con-
12 tributions), if the welfare or public assistance bene-
13 fits of a covered family are reduced under a Federal,
14 State, or local law regarding such an assistance pro-
15 gram because of any failure of any member of the
16 family to comply with the conditions under the as-
17 sistance program requiring participation in an eco-
18 nomic self-sufficiency program, the amount required
19 to be paid by the family as a monthly contribution
20 toward rent may not be decreased, during the period
21 of the reduction, as a result of any decrease in the
22 income of the family (to the extent that the decrease
23 in income is a result of the benefits reduction).

24 (3) EFFECT OF FRAUD.—Notwithstanding the
25 provisions of sections 1225 and 1322 (relating to

1 family rental contributions), if the welfare or public
2 assistance benefits of a covered family are reduced
3 because of an act of fraud by a member of the fam-
4 ily under the law or program, the amount required
5 to be paid by the covered family as a monthly con-
6 tribution toward rent may not be decreased, during
7 the period of the reduction, as a result of any de-
8 crease in the income of the family (to the extent that
9 the decrease in income is a result of the benefits re-
10 duction).

11 (4) NOTICE.—Paragraphs (2) and (3) shall not
12 apply to any covered family before the public hous-
13 ing agency providing assistance under this division
14 on behalf of the family obtains written notification
15 from the relevant welfare or public assistance agency
16 specifying that the family’s benefits have been re-
17 duced because of noncompliance with economic self-
18 sufficiency program requirements or fraud and the
19 level of such reduction.

20 (5) OCCUPANCY RIGHTS.—This subsection may
21 not be construed to authorize any public housing
22 agency to establish any time limit on tenancy in a
23 public housing dwelling unit or on receipt of housing
24 assistance under title XIII.

1 (6) REVIEW.—Any covered family residing in
2 public housing that is affected by the operation of
3 this subsection shall have the right to review the de-
4 termination under this subsection through the ad-
5 ministrative grievance procedure established pursu-
6 ant to section 1110 for the public housing agency.

7 (7) COOPERATION AGREEMENTS FOR ECONOMIC
8 SELF-SUFFICIENCY ACTIVITIES.—

9 (A) REQUIREMENT.—A public housing
10 agency providing public housing dwelling units
11 or housing assistance under title XIII for cov-
12 ered families shall make its best efforts to enter
13 into such cooperation agreements, with State,
14 local, and other agencies providing assistance to
15 covered families under welfare or public assist-
16 ance programs, as may be necessary, to provide
17 for such agencies to transfer information to fa-
18 cilitate administration of subsection (a) and
19 paragraphs (2), (3), and (4) of this subsection,
20 and other information regarding rents, income,
21 and assistance that may assist a public housing
22 agency or welfare or public assistance agency in
23 carrying out its functions.

24 (B) CONTENTS.—A public housing agency
25 shall seek to include in a cooperation agreement

1 under this paragraph requirements and provi-
2 sions designed to target assistance under wel-
3 fare and public assistance programs to families
4 residing in public housing developments and re-
5 ceiving choice-based assistance under title XIII,
6 which may include providing for self-sufficiency
7 services within such housing, providing for serv-
8 ices designed to meet the unique employment-
9 related needs of residents of such housing and
10 recipients of such assistance, providing for
11 placement of workfare positions on-site in such
12 housing, and such other elements as may be ap-
13 propriate.

14 (C) CONFIDENTIALITY.—This paragraph
15 may not be construed to authorize any release
16 of information that is prohibited by, or in con-
17 travention of, any other provision of Federal,
18 State, or local law.

19 (d) COMMUNITY WORK AND FAMILY SELF-SUFFI-
20 CIENCY AGREEMENTS.—

21 (1) IN GENERAL.—A public housing agency
22 shall enter into a community work and family self-
23 sufficiency agreement under this subsection with
24 each adult member and head of household of each
25 family who is to reside in a dwelling unit in public

1 housing of the agency and each family on behalf of
2 whom the agency will provide housing assistance
3 under title XIII. Under the agreement the family
4 shall agree that, as a condition of occupancy of the
5 public housing dwelling unit or of receiving such
6 housing assistance, the family will comply with the
7 terms of the agreement.

8 (2) TERMS.—An agreement under this sub-
9 section shall include the following:

10 (A) Terms designed to encourage and fa-
11 cilitate the economic self-sufficiency of the as-
12 sisted family entering into the agreement and
13 the graduation of the family from assisted
14 housing to unassisted housing.

15 (B) Notice of the requirements under sub-
16 section (a) (relating to community work) and
17 the conditions imposed by, and exemptions
18 from, such requirement.

19 (C) The target date agreed upon by the
20 family pursuant to subsection (b) for gradua-
21 tion from, termination of tenancy in, or termi-
22 nation of receipt of public housing or housing
23 assistance under title XIII.

24 (D) Terms providing for any resources,
25 services, and assistance relating to self-suffi-

1 ciency that will be made available to the family,
2 including any assistance to be made available
3 pursuant to subsection (c)(7)(B) under a co-
4 operation agreement entered into under sub-
5 section (c)(7).

6 (E) Notice of the provisions of paragraphs
7 (2) through (7) of subsection (c) (relating to ef-
8 fect of changes in income on rent and assisted
9 families rights under such circumstances).

10 (e) LEASE PROVISIONS.—A public housing agency
11 shall incorporate into leases under section 1226, and into
12 any agreements for the provision of choice-based assist-
13 ance under title XIII on behalf of a family—

14 (1) a provision requiring compliance with the
15 requirement under subsection (a); and

16 (2) provisions incorporating the conditions
17 under subsection (c).

18 (f) TREATMENT OF INCOME.—Notwithstanding any
19 other provision of this section, in determining the income
20 or tenancy of a family who resides in public housing or
21 receives housing assistance under title XIII, a public hous-
22 ing agency shall consider any decrease in the income of
23 a family that results from the reduction of any welfare
24 or public assistance benefits received by the family under
25 any Federal, State, or local law regarding a program for

1 such assistance if the family (or a member thereof, as ap-
2 plicable) has complied with the conditions for receiving
3 such assistance and is unable to obtain employment not-
4 withstanding such compliance.

5 (g) DEFINITION.—For purposes of this section, the
6 term “economic self-sufficiency program” means any pro-
7 gram designed to encourage, assist, train, or facilitate the
8 economic independence of participants and their families
9 or to provide work for participants, including programs
10 for job training, employment counseling, work placement,
11 basic skills training, education, workfare, financial or
12 household management, apprenticeship, or other activities
13 as the Secretary may provide.

14 **SEC. 1106. LOCAL HOUSING MANAGEMENT PLANS.**

15 (a) 5-YEAR PLAN.—The Secretary shall provide for
16 each public housing agency to submit to the Secretary,
17 once every 5 years, a plan under this subsection for the
18 agency covering a period consisting of 5 fiscal years. Each
19 such plan shall contain, with respect to the 5-year period
20 covered by the plan, the following information:

21 (1) STATEMENT OF MISSION.—A statement of
22 the mission of the agency for serving the needs of
23 low-income families in the jurisdiction of the agency
24 during such period.

1 (2) GOALS AND OBJECTIVES.—A statement of
2 the goals and objectives of the agency that will en-
3 able the agency to serve the needs identified pursu-
4 ant to paragraph (1) during such period.

5 (3) CAPITAL IMPROVEMENT OVERVIEW.—If the
6 agency will provide capital improvements for public
7 housing developments during such period, an over-
8 view of such improvements, the rationale for such
9 improvements, and an analysis of how such improve-
10 ments will enable the agency to meet its goals, objec-
11 tives, and mission.

12 The first 5-year plan under this subsection for a public
13 housing agency shall be submitted for the 5-year period
14 beginning with the first fiscal year for which the agency
15 receives assistance under this division.

16 (b) ANNUAL PLAN.—The Secretary shall provide for
17 each public housing agency to submit to the Secretary a
18 local housing management plan under this section for each
19 fiscal year that contains the information required under
20 subsection (d). For each fiscal year after the initial sub-
21 mission of a plan under this section by a public housing
22 agency, the agency may comply with requirements for sub-
23 mission of a plan under this subsection by submitting an
24 update of the plan for the fiscal year.

1 (c) PROCEDURES.—The Secretary shall establish re-
2 quirements and procedures for submission and review of
3 plans, including requirements for timing and form of sub-
4 mission, and for the contents of such plans. Such proce-
5 dures shall provide that a public housing agency—

6 (1) shall, in conjunction with the relevant State
7 or unit of general local government, establish proce-
8 dures to ensure that the plan under this section is
9 consistent with the applicable comprehensive housing
10 affordability strategy (or any consolidated plan in-
11 corporating such strategy) for the jurisdiction in
12 which the public housing agency is located, in ac-
13 cordance with title I of the Cranston-Gonzalez Na-
14 tional Affordable Housing Act; and

15 (2) may, at the option of the agency, submit a
16 plan under this section together with, or as part of,
17 the comprehensive housing affordability strategy (or
18 any consolidated plan incorporating such strategy)
19 for the relevant jurisdiction, and for concomitant re-
20 view of such plans submitted together.

21 (d) CONTENTS.—An annual local housing manage-
22 ment plan under this section for a public housing agency
23 shall contain the following information relating to the up-
24 coming fiscal year for which the assistance under this divi-
25 sion is to be made available:

1 (1) NEEDS.—A statement of the housing needs
2 of low-income and very low-income families residing
3 in the community served by the agency, and of other
4 low-income families on the waiting list of the agency
5 (including the housing needs of elderly families and
6 disabled families), and the means by which the agen-
7 cy intends, to the maximum extent practicable, to
8 address such needs.

9 (2) FINANCIAL RESOURCES.—A statement of fi-
10 nancial resources available for the agency the
11 planned uses of such resources that includes—

12 (A) a description of the financial resources
13 available to the agency;

14 (B) the uses to which such resources will
15 be committed, including all proposed eligible
16 and required activities under section 1203 and
17 housing assistance to be provided under title
18 XIII;

19 (C) an estimate of the costs of operation
20 and the market rental value of each public
21 housing development; and

22 (D) a specific description, based on popu-
23 lation and demographic data, of the unmet af-
24 fordable housing needs of families in the com-
25 munity served by the agency having incomes

1 not exceeding 30 percent of the area median in-
2 come and a statement of how the agency will
3 expend grant amounts received under this divi-
4 sion to meet the housing needs of such families.

5 (3) POPULATION SERVED.—A statement of the
6 policies of the agency governing eligibility, admis-
7 sions, and occupancy of families with respect to pub-
8 lic housing dwelling units and housing assistance
9 under title XIII, including—

10 (A) the requirements for eligibility for such
11 units and assistance and the method and proce-
12 dures by which eligibility and income will be de-
13 termined and verified;

14 (B) the requirements for selection and ad-
15 missions of eligible families for such units and
16 assistance, including any preferences and proce-
17 dures established by the agency and any out-
18 reach efforts;

19 (C) the procedures for assignment of fami-
20 lies admitted to dwelling units owned, leased,
21 managed, operated, or assisted by the agency;

22 (D) any standards and requirements for
23 occupancy of public housing dwelling units and
24 units assisted under title XIII, including resi-
25 dent screening policies, standard lease provi-

1 sions, conditions for continued occupancy, ter-
2 mination of tenancy, eviction, and conditions
3 for termination of housing assistance;

4 (E) the procedures for maintaining waiting
5 lists for admissions to public housing develop-
6 ments of the agency, which may include a sys-
7 tem of site-based waiting lists under section
8 1224(c);

9 (F) the criteria for providing and denying
10 housing assistance under title XIII to families
11 moving into the jurisdiction of the agency;

12 (G) the procedures for coordination with
13 entities providing assistance to homeless fami-
14 lies in the jurisdiction of the agency; and

15 (H) the fair housing policy of the agency.

16 (4) RENT DETERMINATION.—A statement of
17 the policies of the agency governing rents charged
18 for public housing dwelling units and rental con-
19 tributions of assisted families under title XIII and
20 the system used by the agency to ensure that such
21 rents comply with the requirements of this division.

22 (5) OPERATION AND MANAGEMENT.—A state-
23 ment of the rules, standards, and policies of the pub-
24 lic housing agency governing maintenance and man-
25 agement of housing owned and operated by the

1 agency, and management of the public housing agen-
2 cy and programs of the agency, including—

3 (A) a description of the manner in which
4 the agency is organized (including any consortia
5 or joint ventures) and staffed to perform the
6 duties and functions of the public housing agen-
7 cy and to administer the operating fund dis-
8 tributions of the agency;

9 (B) policies relating to the rental of dwell-
10 ing units, including policies designed to reduce
11 vacancies;

12 (C) housing quality standards in effect
13 pursuant to sections 1232 and 1328 and any
14 certifications required under such sections;

15 (D) emergency and disaster plans for pub-
16 lic housing;

17 (E) priorities and improvements for man-
18 agement of public housing, including initiatives
19 to control costs; and

20 (F) policies of the agency requiring the
21 loss or termination of housing assistance and
22 tenancy under sections 1641 and 1642 (relating
23 to occupancy standards for federally assisted
24 housing).

1 (6) GRIEVANCE PROCEDURE.—A statement of
2 the grievance procedures of the agency under section
3 1110.

4 (7) CAPITAL IMPROVEMENTS.—With respect to
5 public housing developments owned or operated by
6 the agency, a plan describing the capital improve-
7 ments necessary to ensure long-term physical and
8 social viability of the developments.

9 (8) DEMOLITION AND DISPOSITION.—With re-
10 spect to public housing developments owned or oper-
11 ated by the agency—

12 (A) a description of any such housing to be
13 demolished or disposed of under subtitle E of
14 title XII; and

15 (B) a timetable for such demolition or dis-
16 position.

17 (9) DESIGNATION OF HOUSING FOR ELDERLY
18 AND DISABLED FAMILIES.—With respect to public
19 housing developments owned or operated by the
20 agency, a description of any developments (or por-
21 tions thereof) that the agency has designated or will
22 designate for occupancy by elderly and disabled fam-
23 ilies in accordance with section 1227 and any infor-
24 mation required under section 1227(d) for such des-
25 ignated developments.

1 (10) CONVERSION OF PUBLIC HOUSING.—With
2 respect to public housing owned or operated by the
3 agency, a description of any building or buildings
4 that the agency is required, under section 1203(b),
5 to convert to housing assistance under title XIII or
6 that the agency voluntarily converts, an analysis of
7 such buildings required under such section for con-
8 version, and a statement of the amount of grant
9 amounts under title XII to be used for rental assist-
10 ance or other housing assistance.

11 (11) HOMEOWNERSHIP ACTIVITIES.—A descrip-
12 tion of—

13 (A) any homeownership programs of the
14 agency under subtitle D of title XII or section
15 1329 for the agency;

16 (B) the requirements and assistance avail-
17 able under the programs described pursuant to
18 subparagraph (A); and

19 (C) the annual goals of the agency for ad-
20 ditional availability of homeownership units.

21 (12) ECONOMIC SELF-SUFFICIENCY AND CO-
22 ORDINATION WITH WELFARE AND OTHER APPRO-
23 PRIATE AGENCIES.—A description of—

24 (A) policies relating to services and amen-
25 ities provided or offered to assisted families, in-

cluding the provision of service coordinators and services designed for certain populations (such as the elderly and disabled);

(B) how the agency will coordinate with State, local, and other agencies providing assistance to families participating in welfare or public assistance programs;

(C) how the agency will implement and administer section 1105; and

(D) any policies, programs, plans, and activities of the agency for the enhancement of the economic and social self-sufficiency of residents assisted by the programs of the agency, including rent structures to encourage self-sufficiency.

(13) SAFETY AND CRIME PREVENTION.—A plan established by the public housing agency, which shall be subject to the following requirements:

(A) SAFETY MEASURES.—The plan shall provide, on a development-by-development basis, for measures to ensure the safety of public housing residents.

(B) ESTABLISHMENT.—The plan shall be established, with respect to each development, in consultation with the police officer or officers

1 in command for the precinct in which the devel-
2 opment is located.

3 (C) CONTENT.—The plan shall describe
4 the need for measures to ensure the safety of
5 public housing residents and for crime preven-
6 tion measures, describe any such activities con-
7 ducted, or to be conducted, by the agency, and
8 provide for coordination between the public
9 housing agency and the appropriate police pre-
10 cincts for carrying out such measures and ac-
11 tivities.

12 (D) SECRETARIAL ACTION.—If the Sec-
13 retary determines, at any time, that the secu-
14 rity needs of a development are not being ade-
15 quately addressed by the plan, or that the local
16 police precinct is not complying with the plan,
17 the Secretary may mediate between the public
18 housing agency and the local precinct to resolve
19 any issues of conflict. If after such mediation
20 has occurred and the Secretary determines that
21 the security needs of the development are not
22 adequately addressed, the Secretary may re-
23 quire the public housing agency to submit an
24 amended plan.

1 (14) ANNUAL AUDIT.—The results of the most
2 recent fiscal year audit of the agency required under
3 section 1541(b).

4 (15) TROUBLED AGENCIES.—Such other addi-
5 tional information as the Secretary may determine
6 to be appropriate for each public housing agency
7 that is designated—

8 (A) under section 1533(c) as at risk of be-
9 coming troubled; or

10 (B) under section 1533(a) as troubled.

11 (16) ASSET MANAGEMENT.—A statement of
12 how the agency will carry out its asset management
13 functions with respect to the public housing inven-
14 tory of the agency, including how the agency will
15 plan for the long-term operating, capital investment,
16 rehabilitation, modernization, disposition, and other
17 needs for such inventory.

18 (e) CITIZEN PARTICIPATION.—

19 (1) PUBLICATION OF NOTICE.—Not later than
20 45 days before the date of a hearing conducted
21 under paragraph (2) by the governing body of a
22 public housing agency, the agency shall—

23 (A) publish a notice informing the public
24 that the proposed local housing management
25 plan or amendment is available for inspection at

1 the principal office of the public housing agency
2 during normal business hours and make the
3 plan or amendment so available for inspection
4 during such period; and

5 (B) publish a notice informing the public
6 that a public hearing will be conducted to dis-
7 cuss the local housing management plan and to
8 invite public comment regarding that plan.

9 (2) PUBLIC HEARING.—Before submitting a
10 plan under this section or a significant amendment
11 under section 1107(f) to a plan, a public housing
12 agency shall, at a location that is convenient to resi-
13 dents, conduct a public hearing, as provided in the
14 notice published under paragraph (1), regarding the
15 public housing plan or the amendment of the agen-
16 cy.

17 (3) CONSIDERATION OF COMMENTS.—A public
18 housing agency shall consider any comments or
19 views made available pursuant to paragraphs (1)
20 and (2) in preparing a final plan or amendment for
21 submission to the Secretary. A summary of such
22 comments or views shall be attached to the plan,
23 amendment, or report submitted.

24 (4) ADOPTION OF PLAN.—After conducting the
25 public hearing under paragraph (2) and considering

1 public comments in accordance with paragraph (3),
2 the public housing agency shall make any appro-
3 priate changes to the local housing management
4 plan or amendment and shall—

5 (A) adopt the local housing management
6 plan;

7 (B) submit the plan to any local elected of-
8 ficial or officials responsible for appointing the
9 members of the board of directors (or other
10 similar governing body) of the public housing
11 agency for review and approval under sub-
12 section (f);

13 (C) submit the plan to the Secretary in ac-
14 cordance with this section; and

15 (D) make the submitted plan or amend-
16 ment publicly available.

17 (f) LOCAL REVIEW.—The public housing agency shall
18 submit a plan under this subsection to any local elected
19 official or officials responsible for appointing the members
20 of the board of directors (or other similar governing body)
21 of the public housing agency for review and approval for
22 a 45-day period beginning on the date that the plan is
23 submitted to such local official or officials (which period
24 may run concurrently with any period under subsection
25 (e) for public comment). If the local official or officials

1 responsible under this subsection do not act within 45
2 days of submission of the plan, the plan shall be consid-
3 ered approved. If the local official or officials responsible
4 under this subsection reject the public housing agency's
5 plan, they shall return the plan with their recommended
6 changes to the agency within 5 days of their disapproval.
7 The agency shall resubmit an updated plan to the local
8 official or officials within 30 days of receiving the objec-
9 tions, If the local official or officials again reject the plan,
10 the resubmitted plan, together with the local official's ob-
11 jections, shall be submitted to the Secretary for approval.

12 (g) PLANS FOR SMALL PHA'S AND PHA'S ADMIN-
13 ISTERING ONLY RENTAL ASSISTANCE.—The Secretary
14 shall establish requirements for submission of plans under
15 this section and the information to be included in such
16 plans applicable to public housing agencies that own or
17 operate less than 250 public housing dwelling units and
18 shall establish requirements for such submission and in-
19 formation applicable to agencies that only administer
20 housing assistance under title XIII (and do not own or
21 operate public housing). Such requirements shall waive
22 any requirements under this section that the Secretary de-
23 termines are burdensome or unnecessary for such agen-
24 cies.

1 **SEC. 1107. REVIEW OF PLANS.**

2 (a) REVIEW AND NOTICE.—

3 (1) REVIEW.—The Secretary shall conduct a
4 limited review of each local housing management
5 plan submitted to the Secretary to ensure that the
6 plan is complete and complies with the requirements
7 of section 1106. The Secretary shall have the discre-
8 tion to review a plan to the extent that the Secretary
9 considers review is necessary.

10 (2) NOTICE.—The Secretary shall notify each
11 public housing agency submitting a plan whether the
12 plan complies with such requirements not later than
13 75 days after receiving the plan. If the Secretary
14 does not notify the public housing agency, as re-
15 quired under this subsection and subsection (b), the
16 Secretary shall be considered, for purposes of this
17 division, to have made a determination that the plan
18 complies with the requirements under section 1106
19 and the agency shall be considered to have been no-
20 tified of compliance upon the expiration of such 75-
21 day period. The preceding sentence shall not pre-
22 clude judicial review regarding such compliance pur-
23 suant to chapter 7 of title 5, United States Code, or
24 an action regarding such compliance under section
25 1979 of the Revised Statutes of the United States
26 (42 U.S.C. 1983).

1 (b) NOTICE OF REASONS FOR DETERMINATION OF
2 NONCOMPLIANCE.—If the Secretary determines that a
3 plan, as submitted, does not comply with the requirements
4 under section 1106, the Secretary shall specify in the no-
5 tice under subsection (a) the reasons for the noncompli-
6 ance and any modifications necessary for the plan to meet
7 the requirements under section 1106.

8 (c) STANDARDS FOR DETERMINATION OF NON-
9 COMPLIANCE.—The Secretary may determine that a plan
10 does not comply with the requirements under section 1106
11 only if—

12 (1) the plan is incomplete in significant matters
13 required under such section;

14 (2) there is evidence available to the Secretary
15 that challenges, in a substantial manner, any infor-
16 mation provided in the plan;

17 (3) the Secretary determines that the plan does
18 not comply with Federal law or violates the purposes
19 of this division because it fails to provide housing
20 that will be viable on a long-term basis at a reason-
21 able cost;

22 (4) the plan plainly fails to adequately identify
23 the needs of low-income families for housing assist-
24 ance in the jurisdiction of the agency;

1 (5) the plan plainly fails to adequately identify
2 the capital improvement needs for public housing de-
3 velopments in the jurisdiction of the agency;

4 (6) the activities identified in the plan are
5 plainly inappropriate to address the needs identified
6 in the plan; or

7 (7) the plan is inconsistent with the require-
8 ments of this division.

9 The Secretary shall determine that a plan does not comply
10 with the requirements under section 1106 if the plan does
11 not include the information required under section
12 1106(d)(2)(D).

13 (d) TREATMENT OF EXISTING PLANS.—Notwith-
14 standing any other provision of this title, a public housing
15 agency shall be considered to have submitted a plan under
16 this section if the agency has submitted to the Secretary
17 a comprehensive plan under section 14(e) of the United
18 States Housing Act of 1937 (as in effect immediately be-
19 fore the effective date of the repeal under section 1601(b)
20 of this Act) or under the comprehensive improvement as-
21 sistance program under such section 14, and the Secretary
22 has approved such plan, before January 1, 1997. The Sec-
23 retary shall provide specific procedures and requirements
24 for such authorities to amend such plans by submitting

1 only such additional information as is necessary to comply
2 with the requirements of section 1106.

3 (e) ACTIONS TO CHANGE PLAN.—A public housing
4 agency that has submitted a plan under section 1106 may
5 change actions or policies described in the plan before sub-
6 mission and review of the plan of the agency for the next
7 fiscal year only if—

8 (1) in the case of costly or nonroutine changes,
9 the agency submits to the Secretary an amendment
10 to the plan under subsection (f) which is reviewed in
11 accordance with such subsection; or

12 (2) in the case of inexpensive or routine
13 changes, the agency describes such changes in such
14 local housing management plan for the next fiscal
15 year.

16 (f) AMENDMENTS TO PLAN.—

17 (1) IN GENERAL.—During the annual or 5-year
18 period covered by the plan for a public housing
19 agency, the agency may submit to the Secretary any
20 amendments to the plan.

21 (2) REVIEW.—The Secretary shall conduct a
22 limited review of each proposed amendment submit-
23 ted under this subsection to determine whether the
24 plan, as amended by the amendment, complies with
25 the requirements of section 1106 and notify each

1 public housing agency submitting the amendment
2 whether the plan, as amended, complies with such
3 requirements not later than 30 days after receiving
4 the amendment. If the Secretary determines that a
5 plan, as amended, does not comply with the require-
6 ments under section 1106, such notice shall indicate
7 the reasons for the noncompliance and any modifica-
8 tions necessary for the plan to meet the require-
9 ments under section 1106. If the Secretary does not
10 notify the public housing agency as required under
11 this paragraph, the plan, as amended, shall be con-
12 sidered, for purposes of this section, to comply with
13 the requirements under section 1106.

14 (3) STANDARDS FOR DETERMINATION OF NON-
15 COMPLIANCE.—The Secretary may determine that a
16 plan, as amended by a proposed amendment, does
17 not comply with the requirements under section
18 1106 only if—

19 (A) the plan, as amended, would be subject
20 to a determination of noncompliance in accord-
21 ance with the provisions of subsection (c);

22 (B) the Secretary determines that—

23 (i) the proposed amendment is plainly
24 inconsistent with the activities specified in
25 the plan; or

1 (ii) there is evidence that challenges,
2 in a substantial manner, any information
3 contained in the amendment; or

4 (C) the Secretary determines that the plan,
5 as amended, violates the purposes of this divi-
6 sion because it fails to provide housing that will
7 be viable on a long-term basis at a reasonable
8 cost.

9 (4) AMENDMENTS TO EXTEND TIME OF PER-
10 FORMANCE.—Notwithstanding any other provision of
11 this subsection, the Secretary may not determine
12 that any amendment to the plan of a public housing
13 agency that extends the time for performance of ac-
14 tivities assisted with amounts provided under this
15 title fails to comply with the requirements under sec-
16 tion 1106 if the Secretary has not provided the
17 amount of assistance set forth in the plan or has not
18 provided the assistance in a timely manner.

19 **SEC. 1108. REPORTING REQUIREMENTS.**

20 (a) PERFORMANCE AND EVALUATION REPORT.—
21 Each public housing agency shall annually submit to the
22 Secretary, on a date determined by the Secretary, a per-
23 formance and evaluation report concerning the use of
24 funds made available under this division. The report of
25 the public housing agency shall include an assessment by

1 the agency of the relationship of such use of funds made
2 available under this division, as well as the use of other
3 funds, to the needs identified in the local housing manage-
4 ment plan and to the purposes of this division. The public
5 housing agency shall certify that the report was available
6 for review and comment by affected tenants prior to its
7 submission to the Secretary.

8 (b) REVIEW OF PHA'S.—The Secretary shall, at
9 least on an annual basis, make such reviews as may be
10 necessary or appropriate to determine whether each public
11 housing agency receiving assistance under this section—

12 (1) has carried out its activities under this divi-
13 sion in a timely manner and in accordance with its
14 local housing management plan; and

15 (2) has a continuing capacity to carry out its
16 local housing management plan in a timely manner.

17 (c) RECORDS.—Each public housing agency shall col-
18 lect, maintain, and submit to the Secretary such data and
19 other program records as the Secretary may require, in
20 such form and in accordance with such schedule as the
21 Secretary may establish.

22 **SEC. 1109. PET OWNERSHIP.**

23 Pet ownership in housing assisted under this division
24 that is federally assisted rental housing (as such term is
25 defined in section 227 of the Housing and Urban-Rural

1 Recovery Act of 1983) shall be governed by the provisions
2 of section 227 of such Act.

3 **SEC. 1110. ADMINISTRATIVE GRIEVANCE PROCEDURE.**

4 (a) REQUIREMENTS.—Each public housing agency
5 receiving assistance under this division shall establish and
6 implement an administrative grievance procedure under
7 which residents of public housing will—

8 (1) be advised of the specific grounds of any
9 proposed adverse public housing agency action;

10 (2) have an opportunity for a hearing before an
11 impartial party (including appropriate employees of
12 the public housing agency) upon timely request with-
13 in a reasonable period of time;

14 (3) have an opportunity to examine any docu-
15 ments or records or regulations related to the pro-
16 posed action;

17 (4) be entitled to be represented by another
18 person of their choice at any hearing;

19 (5) be entitled to ask questions of witnesses and
20 have others make statements on their behalf; and

21 (6) be entitled to receive a written decision by
22 the public housing agency on the proposed action.

23 (b) EXCLUSION FROM ADMINISTRATIVE PROCEDURE
24 OF GRIEVANCES CONCERNING EVICTIONS FROM PUBLIC
25 HOUSING INVOLVING HEALTH, SAFETY, OR PEACEFUL

1 ENJOYMENT.—A public housing agency may exclude from
2 its procedure established under subsection (a) any griev-
3 ance, in any jurisdiction which requires that prior to evic-
4 tion, a tenant be given a hearing in court, which the Sec-
5 retary determines provides the basic elements of due proc-
6 ess (which the Secretary shall establish by rule under sec-
7 tion 553 of title 5, United States Code), concerning an
8 eviction from or termination of tenancy in public housing
9 that involves any activity that threatens the health, safety,
10 or right to peaceful enjoyment of the premises of other
11 tenants or employees of the public housing agency or any
12 drug-related criminal activity on or off such premises. In
13 the case of any eviction from or termination of tenancy
14 in public housing not described in the preceding sentence,
15 each of the following provisions shall apply:

16 (1) Such eviction or termination shall be sub-
17 ject to an administrative grievance procedure if the
18 tenant so evicted or terminated requests a hearing
19 under such procedure not later than five days after
20 service of notice of such eviction or termination.

21 (2) The public housing agency shall take final
22 action regarding a grievance under paragraph (1)
23 not later than thirty days after such notice is served.

24 (3) If the public housing agency fails to provide
25 a hearing under the grievance procedure pursuant to

1 a request under paragraph (1) and take final action
2 regarding the grievance before the expiration of the
3 30-day period under paragraph (2), the notice of
4 eviction or termination shall be considered void and
5 shall not be given any force or effect.

6 (4) If a public housing authority takes final ac-
7 tion on a grievance for any eviction or termination,
8 the tenant and any member of the tenant's house-
9 hold shall not have any right in connection with any
10 subsequent eviction or termination notice to request
11 or be afforded any administrative grievance hearing
12 during the 1-year period beginning upon the date of
13 the final action.

14 (c) INAPPLICABILITY TO CHOICE-BASED RENTAL
15 HOUSING ASSISTANCE.—This section may not be con-
16 strued to require any public housing agency to establish
17 or implement an administrative grievance procedure with
18 respect to assisted families under title XIII.

19 **SEC. 1111. HEADQUARTERS RESERVE FUND.**

20 (a) ANNUAL RESERVATION OF AMOUNTS.—Notwith-
21 standing any other provision of law, the Secretary may
22 retain not more than 2 percent of the amounts appro-
23 priated to carry out title XII for any fiscal year for use
24 in accordance with this section.

1 (b) USE OF AMOUNTS.—Any amounts that are re-
2 tained under subsection (a) or appropriated for use under
3 this section shall be available for subsequent allocation to
4 specific areas and communities, and may only be used for
5 the Department of Housing and Urban Development
6 and—

7 (1) for unforeseen housing needs resulting from
8 natural and other disasters;

9 (2) for housing needs resulting from emer-
10 gencies, as determined by the Secretary, other than
11 such disasters;

12 (3) for housing needs related to a settlement of
13 litigation, including settlement of fair housing litiga-
14 tion; and

15 (4) for needs related to the Secretary's actions
16 under this division regarding troubled and at-risk
17 public housing agencies.

18 Housing needs under this subsection may be met through
19 the provision of assistance in accordance with title XII or
20 title XIII, or both.

21 **SEC. 1112. LABOR STANDARDS.**

22 (a) IN GENERAL.—Any contract for grants, sale, or
23 lease pursuant to this division relating to public housing
24 shall contain the following provisions:

1 (1) OPERATION.—A provision requiring that
2 not less than the wages prevailing in the locality, as
3 determined or adopted (subsequent to a determina-
4 tion under applicable State or local law) by the Sec-
5 retary, shall be paid to all contractors and persons
6 employed in the operation of the low-income housing
7 development involved.

8 (2) PRODUCTION.—A provision that not less
9 than the wages prevailing in the locality, as pre-
10 determined by the Secretary of Labor pursuant to
11 the Davis-Bacon Act (40 U.S.C. 276a–276a–5),
12 shall be paid to all laborers and mechanics employed
13 in the production of the development involved.

14 The Secretary shall require certification as to compliance
15 with the provisions of this section before making any pay-
16 ment under such contract.

17 (b) EXCEPTIONS.—Subsection (a) and the provisions
18 relating to wages (pursuant to subsection (a)) in any con-
19 tract for grants, sale, or lease pursuant to this division
20 relating to public housing, shall not apply to any individual
21 who—

22 (1) performs services for which the individual
23 volunteered;

24 (2)(A) does not receive compensation for such
25 services; or

1 (B) is paid expenses, reasonable benefits, or a
2 nominal fee for such services; and

3 (3) is not otherwise employed at any time in the
4 construction work.

5 **SEC. 1113. NONDISCRIMINATION.**

6 (a) IN GENERAL.—No person in the United States
7 shall on the grounds of race, color, national origin, reli-
8 gion, or sex be excluded from participation in, be denied
9 the benefits of, or be subjected to discrimination under
10 any program or activity funded in whole or in part with
11 amounts made available under this division. Any prohibi-
12 tion against discrimination on the basis of age under the
13 Age Discrimination Act of 1975 or with respect to an oth-
14 erwise qualified handicapped individual as provided in sec-
15 tion 504 of the Rehabilitation Act of 1973 shall also apply
16 to any such program or activity.

17 (b) CIVIL RIGHTS COMPLIANCE.—Each public hous-
18 ing agency that receives grant amounts under this division
19 shall use such amounts and carry out its local housing
20 management plan approved under section 1107 in con-
21 formity with title VI of the Civil Rights Act of 1964, the
22 Fair Housing Act, section 504 of the Rehabilitation Act
23 of 1973, the Age Discrimination Act of 1975, and the
24 Americans With Disabilities Act of 1990, and shall affirm-
25 atively further fair housing.

1 **SEC. 1114. PROHIBITION ON USE OF FUNDS.**

2 None of the funds made available to the Department
3 of Housing and Urban Development to carry out this divi-
4 sion, which are obligated to State or local governments,
5 public housing agencies, housing finance agencies, or other
6 public or quasi-public housing agencies, shall be used to
7 indemnify contractors or subcontractors of the govern-
8 ment or agency against costs associated with judgments
9 of infringement of intellectual property rights.

10 **SEC. 1115. INAPPLICABILITY TO INDIAN HOUSING.**

11 Except as specifically provided by law, the provisions
12 of this title, and titles XII, XIII, XIV, and XV shall not
13 apply to public housing developed or operated pursuant
14 to a contract between the Secretary and an Indian housing
15 authority under the United States Housing Act of 1937
16 or to housing assisted under the Native American Housing
17 Assistance and Self-Determination Act of 1996.

18 **SEC. 1116. REGULATIONS.**

19 (a) IN GENERAL.—The Secretary may issue any reg-
20 ulations necessary to carry out this division. This sub-
21 section shall take effect on the date of the enactment of
22 this Act.

23 (b) RULE OF CONSTRUCTION.—Any failure by the
24 Secretary to issue any regulations authorized under sub-
25 section (a) shall not affect the effectiveness of any provi-

1 sion of this division or any amendment made by this divi-
 2 sion.

3 **TITLE XII—PUBLIC HOUSING**

4 **Subtitle A—Block Grants**

5 **SEC. 1201. BLOCK GRANT CONTRACTS.**

6 (a) IN GENERAL.—The Secretary shall enter into
 7 contracts with public housing agencies under which—

8 (1) the Secretary agrees to make a block grant
 9 under this title, in the amount provided under sec-
 10 tion 1202(c), for assistance for low-income housing
 11 to the public housing agency for each fiscal year cov-
 12 ered by the contract; and

13 (2) the agency agrees—

14 (A) to provide safe, clean, and healthy
 15 housing that is affordable to low-income fami-
 16 lies and services for families in such housing;

17 (B) to operate, or provide for the oper-
 18 ation, of such housing in a financially sound
 19 manner;

20 (C) to use the block grant amounts in ac-
 21 cordance with this title and the local housing
 22 management plan for the agency that complies
 23 with the requirements of section 1106;

24 (D) to involve residents of housing assisted
 25 with block grant amounts in functions and deci-

1 sions relating to management and the quality of
2 life in such housing;

3 (E) that the management of the public
4 housing of the agency shall be subject to ac-
5 tions authorized under subtitle D of title XV;

6 (F) that the Secretary may take actions
7 under section 1205 with respect to improper
8 use of grant amounts provided under the con-
9 tract; and

10 (G) to otherwise comply with the require-
11 ments under this title.

12 (b) SMALL PUBLIC HOUSING AGENCY CAPITAL
13 GRANT OPTION.—For any fiscal year, upon the request
14 of the Governor of the State, the Secretary shall make
15 available directly to the State, from the amounts otherwise
16 included in the block grants for all public housing agencies
17 in such State which own or operate less than 100 dwelling
18 units, $\frac{1}{2}$ of that portion of such amounts that is derived
19 from the capital improvement allocations for such agencies
20 pursuant to section 1203(c)(1) or 1203(d)(2), as applica-
21 ble. The Governor of the State will have the responsibility
22 to distribute all of such funds, in amounts determined by
23 the Governor, only to meet the exceptional capital im-
24 provement requirements for the various public housing
25 agencies in the State which operate less than 100 dwelling

1 units: *Provided*, however, that for States where Federal
2 funds provided to the State are subject to appropriation
3 action by the State legislature, the capital funds made
4 available to the Governor under this subsection shall be
5 subject to such appropriation by the State legislature.

6 (c) MODIFICATION.—Contracts and agreements be-
7 tween the Secretary and a public housing agency may not
8 be amended in a manner which would—

9 (1) impair the rights of—

10 (A) leaseholders for units assisted pursu-
11 ant to a contract or agreement; or

12 (B) the holders of any outstanding obliga-
13 tions of the public housing agency involved for
14 which annual contributions have been pledged;
15 or

16 (2) provide for payment of block grant amounts
17 under this title in an amount exceeding the alloca-
18 tion for the agency determined under section 1204.

19 Any rule of law contrary to this subsection shall be deemed
20 inapplicable.

21 **SEC. 1202. GRANT AUTHORITY, AMOUNT, AND ELIGIBILITY.**

22 (a) AUTHORITY.—The Secretary shall make block
23 grants under this title to eligible public housing agencies
24 in accordance with block grant contracts under section
25 1201.

1 (b) PERFORMANCE FUNDS.—

2 (1) IN GENERAL.—The Secretary shall establish
3 2 funds for the provision of grants to eligible public
4 housing agencies under this title, as follows:

5 (A) CAPITAL FUND.—A capital fund to
6 provide capital and management improvements
7 to public housing developments.

8 (B) OPERATING FUND.—An operating
9 fund for public housing operations.

10 (2) FLEXIBILITY OF FUNDING.—

11 (A) IN GENERAL.—A public housing agen-
12 cy may use up to 20 percent of the amounts
13 from a grant under this title that are allocated
14 and provided from the capital fund for activities
15 that are eligible under section 1203(a)(2) to be
16 funded with amounts from the operating fund.

17 (B) FULL FLEXIBILITY FOR SMALL
18 PHA'S.—In the case of a public housing agency
19 that owns or operates less than 250 public
20 housing dwelling units and is (in the determina-
21 tion of the Secretary) operating and maintain-
22 ing its public housing in a safe, clean, and
23 healthy condition, the agency may use amounts
24 from a grant under this title for any eligible ac-
25 tivities under section 1203(a), regardless of the

1 fund from which the amounts were allocated
2 and provided.

3 (c) AMOUNT OF GRANTS.—The amount of the grant
4 under this title for a public housing agency for a fiscal
5 year shall be the amount of the allocation for the agency
6 determined under section 1204, except as otherwise pro-
7 vided in this title and title XV.

8 (d) ELIGIBILITY.—A public housing agency shall be
9 an eligible public housing agency with respect to a fiscal
10 year for purposes of this title only if—

11 (1) the Secretary has entered into a block grant
12 contract with the agency;

13 (2) the agency has submitted a local housing
14 management plan to the Secretary for such fiscal
15 year;

16 (3) the plan has been determined to comply
17 with the requirements under section 1106 and the
18 Secretary has not notified the agency that the plan
19 fails to comply with such requirements;

20 (4) the agency is exempt from local taxes, as
21 provided under subsection (e), or receives a contribu-
22 tion, as provided under such subsection;

23 (5) no member of the board of directors or
24 other governing body of the agency, or the executive
25 director, has been convicted of a felony;

1 (6) the agency has entered into an agreement
2 providing for local cooperation in accordance with
3 subsection (f); and

4 (7) the agency has not been disqualified for a
5 grant pursuant to section 1205(a) or title XV.

6 (e) PAYMENTS IN LIEU OF STATE AND LOCAL TAX-
7 ATION OF PUBLIC HOUSING DEVELOPMENTS.—

8 (1) EXEMPTION FROM TAXATION.—A public
9 housing agency may receive a block grant under this
10 title only if—

11 (A)(i) the developments of the agency (ex-
12 clusive of any portions not assisted with
13 amounts provided under this title) are exempt
14 from all real and personal property taxes levied
15 or imposed by the State, city, county, or other
16 political subdivision; and

17 (ii) the public housing agency makes pay-
18 ments in lieu of taxes to such taxing authority
19 equal to 10 percent of the sum, for units
20 charged in the developments of the agency, of
21 the difference between the gross rent and the
22 utility cost, or such lesser amount as is—

23 (I) prescribed by State law;

24 (II) agreed to by the local governing
25 body in its agreement under subsection (f)

1 for local cooperation with the public hous-
2 ing agency or under a waiver by the local
3 governing body; or

4 (III) due to failure of a local public
5 body or bodies other than the public hous-
6 ing agency to perform any obligation under
7 such agreement; or

8 (B) the agency complies with the require-
9 ments under subparagraph (A) with respect to
10 public housing developments (including public
11 housing units in mixed-income developments),
12 but the agency agrees that the units other than
13 public housing units in any mixed-income devel-
14 opments (as such term is defined in section
15 1221(c)(2)) shall be subject to any otherwise
16 applicable real property taxes imposed by the
17 State, city, county or other political subdivision.

18 (2) EFFECT OF FAILURE TO EXEMPT FROM
19 TAXATION.—Notwithstanding paragraph (1), a pub-
20 lic housing agency that does not comply with the re-
21 quirements under such paragraph may receive a
22 block grant under this title, but only if the State,
23 city, county, or other political subdivision in which
24 the development is situated contributes, in the form
25 of cash or tax remission, the amount by which the

1 taxes paid with respect to the development exceed 10
2 percent of the gross rent and utility cost charged in
3 the development.

4 (f) LOCAL COOPERATION.—In recognition that there
5 should be local determination of the need for low-income
6 housing to meet needs not being adequately met by private
7 enterprise, the Secretary may not make any grant under
8 this title to a public housing agency unless the governing
9 body of the locality involved has entered into an agreement
10 with the agency providing for the local cooperation re-
11 quired by the Secretary pursuant to this title. The Sec-
12 retary shall require that each such agreement for local co-
13 operation shall provide that, notwithstanding any order,
14 judgment, or decree of any court (including any settlement
15 order), before making any amounts provided under a
16 grant under this title available for use for the production
17 of any housing or other property not previously used as
18 public housing, the public housing agency shall—

19 (1) notify the chief executive officer (or other
20 appropriate official) of the unit of general local gov-
21 ernment in which the public housing for which such
22 amounts are to be so used is located (or to be lo-
23 cated) of such use; and

24 (2) pursuant to the request of such unit of gen-
25 eral local government, provide such information as

1 may reasonably be requested by such unit of general
2 local government regarding the public housing to be
3 so assisted (except to the extent otherwise prohibited
4 by law) and consult with representatives of such
5 local government regarding the public housing.

6 (g) EXCEPTION.—Notwithstanding subsection (a),
7 the Secretary may make a grant under this title for a pub-
8 lic housing agency that is not an eligible public housing
9 agency but only for the period necessary to secure, in ac-
10 cordance with this title, an alternative public housing
11 agency for the public housing of the ineligible agency.

12 (h) RECAPTURE OF CAPITAL ASSISTANCE
13 AMOUNTS.—The Secretary may recapture, from any grant
14 amounts made available to a public housing agency from
15 the capital fund, any portion of such amounts that are
16 not used or obligated by the public housing agency for use
17 for eligible activities under section 1203(a)(1) (or dedi-
18 cated for use pursuant to section 1202(b)(2)(A)) before
19 the expiration of the 24-month period beginning upon the
20 award of such grant to the agency.

21 **SEC. 1203. ELIGIBLE AND REQUIRED ACTIVITIES.**

22 (a) ELIGIBLE ACTIVITIES.—Except as provided in
23 subsection (b) and in section 1202(b)(2), grant amounts
24 allocated and provided from the capital fund and grant

1 amounts allocated and provided from the operating fund
2 may be used for the following activities:

3 (1) CAPITAL FUND ACTIVITIES.—Grant
4 amounts from the capital fund may be used for—

5 (A) the production and modernization of
6 public housing developments, including the re-
7 design, reconstruction, and reconfiguration of
8 public housing sites and buildings and the pro-
9 duction of mixed-income developments;

10 (B) vacancy reduction;

11 (C) addressing deferred maintenance needs
12 and the replacement of dwelling equipment;

13 (D) planned code compliance;

14 (E) management improvements;

15 (F) demolition and replacement under sec-
16 tion 1261;

17 (G) tenant relocation;

18 (H) capital expenditures to facilitate pro-
19 grams to improve the economic empowerment
20 and self-sufficiency of public housing tenants;
21 and

22 (I) capital expenditures to improve the se-
23 curity and safety of residents.

24 (2) OPERATING FUND ACTIVITIES.—Grant
25 amounts from the operating fund may be used for—

1 (A) procedures and systems to maintain
2 and ensure the efficient management and oper-
3 ation of public housing units;

4 (B) activities to ensure a program of rou-
5 tine preventative maintenance;

6 (C) anti-crime and anti-drug activities, in-
7 cluding the costs of providing adequate security
8 for public housing tenants;

9 (D) activities related to the provision of
10 services, including service coordinators for el-
11 derly persons or persons with disabilities and
12 including child care services for public housing
13 residents;

14 (E) activities to provide for management
15 and participation in the management of public
16 housing by public housing tenants;

17 (F) the costs associated with the operation
18 and management of mixed-income develop-
19 ments;

20 (G) the costs of insurance;

21 (H) the energy costs associated with public
22 housing units, with an emphasis on energy con-
23 servation;

24 (I) the costs of administering a public
25 housing community work program under section

1105, including the costs of any related insurance needs; and

(J) activities in connection with a homeownership program for public housing residents under subtitle D, including providing financing or assistance for purchasing housing, or the provision of financial assistance to resident management corporations or resident councils to obtain training, technical assistance, and educational assistance to promote homeownership opportunities.

(b) REQUIRED CONVERSION OF ASSISTANCE FOR PUBLIC HOUSING TO RENTAL HOUSING ASSISTANCE.—

(1) REQUIREMENT.—A public housing agency that receives grant amounts under this title shall provide assistance in the form of rental housing assistance under title XIII, or appropriate site revitalization or other appropriate capital improvements approved by the Secretary, in lieu of assisting the operation and modernization of any building or buildings of public housing, if the agency provides sufficient evidence to the Secretary that the building or buildings—

(A) are on the same or contiguous sites;

1 (B) consist of more than 300 dwelling
2 units;

3 (C) have a vacancy rate of at least 10 per-
4 cent for dwelling units not in funded, on-sched-
5 ule modernization programs;

6 (D) are identified as distressed housing for
7 which the public housing agency cannot assure
8 the long-term viability as public housing
9 through reasonable revitalization, density reduc-
10 tion, or achievement of a broader range of
11 household income; and

12 (E) have an estimated cost of continued
13 operation and modernization as public housing
14 that exceeds the cost of providing choice-based
15 rental assistance under title XIII for all fami-
16 lies in occupancy, based on appropriate indica-
17 tors of cost (such as the percentage of the total
18 development cost required for modernization).

19 Public housing agencies shall identify properties that
20 meet the definition of subparagraphs (A) through
21 (E) and shall consult with the appropriate public
22 housing residents and the appropriate unit of gen-
23 eral local government in identifying such properties.

24 (2) USE OF OTHER AMOUNTS.—In addition to
25 grant amounts under this title attributable (pursu-

1 ant to the formulas under section 1204) to the
2 building or buildings identified under paragraph (1),
3 the Secretary may use amounts provided in appro-
4 priation Acts for choice-based housing assistance
5 under title XIII for families residing in such build-
6 ing or buildings or for appropriate site revitalization
7 or other appropriate capital improvements approved
8 by the Secretary.

9 (3) ENFORCEMENT.—The Secretary shall take
10 appropriate action to ensure conversion of any build-
11 ing or buildings identified under paragraph (1) and
12 any other appropriate action under this subsection,
13 if the public housing agency fails to take appropriate
14 action under this subsection.

15 (4) FAILURE OF PHA'S TO COMPLY WITH CON-
16 VERSION REQUIREMENT.—If the Secretary deter-
17 mines that—

18 (A) a public housing agency has failed
19 under paragraph (1) to identify a building or
20 buildings in a timely manner,

21 (B) a public housing agency has failed to
22 identify one or more buildings which the Sec-
23 retary determines should have been identified
24 under paragraph (1), or

1 (C) one or more of the buildings identified
2 by the public housing agency pursuant to para-
3 graph (1) should not, in the determination of
4 the Secretary, have been identified under that
5 paragraph,

6 the Secretary may identify a building or buildings
7 for conversion and take other appropriate action
8 pursuant to this subsection.

9 (5) CESSATION OF UNNECESSARY SPENDING.—

10 Notwithstanding any other provision of law, if, in
11 the determination of the Secretary, a building or
12 buildings meets or is likely to meet the criteria set
13 forth in paragraph (1), the Secretary may direct the
14 public housing agency to cease additional spending
15 in connection with such building or buildings, except
16 to the extent that additional spending is necessary
17 to ensure safe, clean, and healthy housing until the
18 Secretary determines or approves an appropriate
19 course of action with respect to such building or
20 buildings under this subsection.

21 (6) USE OF BUDGET AUTHORITY.—Notwith-
22 standing any other provision of law, if a building or
23 buildings are identified pursuant to paragraph (1),
24 the Secretary may authorize or direct the transfer,
25 to the choice-based or tenant-based assistance pro-

1 gram of such agency or to appropriate site revital-
2 ization or other capital improvements approved by
3 the Secretary, of—

4 (A) in the case of an agency receiving as-
5 sistance under the comprehensive improvement
6 assistance program, any amounts obligated by
7 the Secretary for the modernization of such
8 building or buildings pursuant to section 14 of
9 the United States Housing Act of 1937 (as in
10 effect immediately before the effective date of
11 the repeal under section 1601(b));

12 (B) in the case of an agency receiving pub-
13 lic housing modernization assistance by formula
14 pursuant to such section 14, any amounts pro-
15 vided to the agency which are attributable pur-
16 suant to the formula for allocating such assist-
17 ance to such building or buildings;

18 (C) in the case of an agency receiving as-
19 sistance for the major reconstruction of obsolete
20 projects, any amounts obligated by the Sec-
21 retary for the major reconstruction of such
22 building or buildings pursuant to section 5(j)(2)
23 of the United States Housing Act of 1937, as
24 in effect immediately before the effective date of
25 the repeal under section 1601(b); and

1 (D) in the case of an agency receiving as-
2 sistance pursuant to the formulas under section
3 1204, any amounts provided to the agency
4 which are attributable pursuant to the formulas
5 for allocating such assistance to such building
6 or buildings.

7 (7) RELOCATION REQUIREMENTS.—Any public
8 housing agency carrying out conversion of public
9 housing under this subsection shall—

10 (A) notify the families residing in the pub-
11 lic housing development subject to the conver-
12 sion, in accordance with any guidelines issued
13 by the Secretary governing such notifications,
14 that—

15 (i) the development will be removed
16 from the inventory of the public housing
17 agency; and

18 (ii) the families displaced by such ac-
19 tion will receive choice-based housing as-
20 sistance or occupancy in a unit operated or
21 assisted by the public housing agency;

22 (B) ensure that each family that is a resi-
23 dent of the development is relocated to other
24 safe, clean, and healthy affordable housing,
25 which is, to the maximum extent practicable,

1 housing of the family's choice, including choice-
2 based assistance under title XIII (provided that
3 with respect to choice-based assistance, the pre-
4 ceding requirement shall be fulfilled only upon
5 the relocation of such family into such housing);

6 (C) provide any necessary counseling for
7 families displaced by such action to facilitate re-
8 location; and

9 (D) provide any reasonable relocation ex-
10 penses for families displaced by such action.

11 (8) TRANSITION.—Any amounts made available
12 to a public housing agency to carry out section 202
13 of the Departments of Veterans Affairs and Housing
14 and Urban Development, and Independent Agencies
15 Appropriations Act, 1996 (enacted as section 101(e)
16 of the Omnibus Consolidated Rescissions and Appro-
17 priations Act of 1996 (Public Law 104–134; 110
18 Stat. 1321–279)) may be used, to the extent or in
19 such amounts as are or have been provided in ad-
20 vance in appropriation Acts, to carry out this sec-
21 tion. The Secretary shall provide for public housing
22 agencies to conform and continue actions taken
23 under such section 202 in accordance with the re-
24 quirements under this section.

1 (c) EXTENSION OF DEADLINES.—The Secretary
2 may, for a public housing agency, extend any deadline es-
3 tablished pursuant to this section or a local housing man-
4 agement plan for up to an additional 5 years if the Sec-
5 retary makes a determination that the deadline is imprac-
6 ticable.

7 (d) COMPLIANCE WITH PLAN.—The local housing
8 management plan submitted by a public housing agency
9 (including any amendments to the plan), unless deter-
10 mined under section 1107 not to comply with the require-
11 ments under section 1106, shall be binding upon the Sec-
12 retary and the public housing agency and the agency shall
13 use any grant amounts provided under this title for eligi-
14 ble activities under subsection (a) in accordance with the
15 plan. This subsection may not be construed to preclude
16 changes or amendments to the plan, as authorized under
17 section 1107 or any actions authorized by this division to
18 be taken without regard to a local housing management
19 plan.

20 (e) ELIGIBLE ACTIVITIES FOR INCREASED IN-
21 COME.—Any public housing agency that derives increased
22 nonrental or rental income, as referred to in subsection
23 (c)(2)(B) or (d)(1)(D) of section 1204 or pursuant to pro-
24 vision of mixed-income developments under section
25 1221(c)(2), may use such amounts for any eligible activity

1 under paragraph (1) or (2) of subsection (a) of this section
2 or for providing choice-based housing assistance under
3 title XIII.

4 **SEC. 1204. DETERMINATION OF GRANT ALLOCATION.**

5 (a) IN GENERAL.—For each fiscal year, after reserv-
6 ing amounts under section 1111 from the aggregate
7 amount made available for the fiscal year for carrying out
8 this title, the Secretary shall allocate any remaining
9 amounts among eligible public housing agencies in accord-
10 ance with this section, so that the sum of all of the alloca-
11 tions for all eligible authorities is equal to such remaining
12 amount.

13 (b) ALLOCATION AMOUNT.—The Secretary shall de-
14 termine the amount of the allocation for each eligible pub-
15 lic housing agency, which shall be—

16 (1) for any fiscal year beginning after the en-
17 actment of a law containing the formulas described
18 in paragraphs (1) and (2) of subsection (c), the sum
19 of the amounts determined for the agency under
20 each such formula; or

21 (2) for any fiscal year beginning before the ex-
22 piration of such period, the sum of—

23 (A) the operating allocation determined
24 under subsection (d)(1) for the agency; and

1 (B) the capital improvement allocation de-
2 termined under subsection (d)(2) for the agen-
3 cy.

4 (c) PERMANENT ALLOCATION FORMULAS FOR CAP-
5 ITAL AND OPERATING FUNDS.—

6 (1) ESTABLISHMENT OF CAPITAL FUND FOR-
7 MULA.—The formula under this paragraph shall
8 provide for allocating assistance under the capital
9 fund for a fiscal year. The formula may take into
10 account such factors as—

11 (A) the number of public housing dwelling
12 units owned or operated by the public housing
13 agency, the characteristics and locations of the
14 developments, and the characteristics of the
15 families served and to be served (including the
16 incomes of the families);

17 (B) the need of the public housing agency
18 to carry out rehabilitation and modernization
19 activities, and reconstruction, production, and
20 demolition activities related to public housing
21 dwelling units owned or operated by the public
22 housing agency, including backlog and projected
23 future needs of the agency;

24 (C) the cost of constructing and rehabili-
25 tating property in the area; and

1 (D) the need of the public housing agency
2 to carry out activities that provide a safe and
3 secure environment in public housing units
4 owned or operated by the public housing agen-
5 cy.

6 (2) ESTABLISHMENT OF OPERATING FUND
7 FORMULA.—

8 (A) IN GENERAL.—The formula under this
9 paragraph shall provide for allocating assistance
10 under the operating fund for a fiscal year. The
11 formula may take into account such factors
12 as—

13 (i) standards for the costs of operat-
14 ing and reasonable projections of income,
15 taking into account the characteristics and
16 locations of the public housing develop-
17 ments and characteristics of the families
18 served and to be served (including the in-
19 comes of the families), or the costs of pro-
20 viding comparable services as determined
21 in accordance with criteria or a formula
22 representing the operations of a prototype
23 well-managed public housing development;

1 (ii) the number of public housing
2 dwelling units owned or operated by the
3 public housing agency;

4 (iii) the need of the public housing
5 agency to carry out anti-crime and anti-
6 drug activities, including providing ade-
7 quate security for public housing residents;
8 and

9 (iv) any record by the public housing
10 agency of exemplary performance in the
11 operation of public housing.

12 (B) INCENTIVE TO INCREASE INCOME.—

13 The formula shall provide an incentive to en-
14 courage public housing agencies to increase
15 nonrental income and to increase rental income
16 attributable to their units by encouraging occu-
17 pancy by families whose incomes have increase
18 while in occupancy and newly admitted families.
19 Any such incentive shall provide that the agen-
20 cy shall derive the full benefit of any increase
21 in nonrental or rental income, and such in-
22 crease shall not result in a decrease in amounts
23 provided to the agency under this title. In addi-
24 tion, an agency shall be permitted to retain,
25 from each fiscal year, the full benefit of such an

1 increase in nonrental or rental income, except
2 to the extent that such benefit exceeds (i) 100
3 percent of the total amount of the operating al-
4 location for which the agency is eligible under
5 this section, and (ii) the maximum balance per-
6 mitted for the agency's operating reserve under
7 this section and any regulations issued under
8 this section.

9 (C) TREATMENT OF UTILITY RATES.—The
10 formula shall not take into account the amount
11 of any cost reductions for a public housing
12 agency due to the difference between projected
13 and actual utility rates attributable to actions
14 that are taken by the agency which lead to such
15 reductions, as determined by the Secretary. In
16 the case of any public housing agency that re-
17 ceives financing from any person or entity other
18 than the Secretary or enters into a performance
19 contract to undertake energy conservation im-
20 provements in a public housing development,
21 under which the payment does not exceed the
22 cost of the energy saved as a result of the im-
23 provements during a reasonable negotiated con-
24 tract period, the formula shall not take into ac-
25 count the amount of any cost reductions for the

1 agency due to the differences between projected
2 and actual utility consumption attributable to
3 actions that are taken by the agency which lead
4 to such reductions, as determined by the Sec-
5 retary. Notwithstanding the preceding 2 sen-
6 tences, after the expiration of the 10-year pe-
7 riod beginning upon the savings initially taking
8 effect, the Secretary may reduce the amount al-
9 located to the agency under the formula by up
10 to 50 percent of such differences.

11 (3) CONSIDERATION OF PERFORMANCE, COSTS,
12 AND OTHER FACTORS.—The formulas under para-
13 graphs (1) and (2) should each reward performance
14 and may each consider appropriate factors that re-
15 flect the different characteristics and sizes of public
16 housing agencies, the relative needs, revenues, costs,
17 and capital improvements of agencies, and the rel-
18 ative costs to agencies of operating a well-managed
19 agency that meets the performance targets for the
20 agency established in the local housing management
21 plan for the agency.

22 (4) DEVELOPMENT UNDER NEGOTIATED RULE-
23 MAKING PROCEDURE.—The formulas under this sub-
24 section shall be developed according to procedures
25 for issuance of regulations under the negotiated

1 rulemaking procedure under subchapter III of chap-
2 ter 5 of title 5, United States Code, except that the
3 formulas shall not be contained in a regulation.

4 (5) REPORT.—Not later than the expiration of
5 the 12-month period beginning upon the enactment
6 of this Act, the Secretary shall submit a report to
7 the Congress containing the proposed formulas es-
8 tablished pursuant to paragraph (4) that meets the
9 requirements of this subsection.

10 (d) INTERIM ALLOCATION REQUIREMENTS.—

11 (1) OPERATING ALLOCATION.—

12 (A) APPLICABILITY TO APPROPRIATED
13 AMOUNTS.—Of any amounts available for allo-
14 cation under this subsection for a fiscal year,
15 an amount shall be used only to provide
16 amounts for operating allocations under this
17 paragraph for eligible public housing agencies
18 that bears the same ratio to such total amount
19 available for allocation that the amount appro-
20 priated for fiscal year 1997 for operating sub-
21 sidies under section 9 of the United States
22 Housing Act of 1937 bears to the sum of such
23 operating subsidy amounts plus the amounts
24 appropriated for such fiscal year for moderniza-
25 tion under section 14 of such Act.

1 (B) DETERMINATION.—The operating allo-
2 cation under this paragraph for a public hous-
3 ing agency for a fiscal year shall be an amount
4 determined by applying, to the amount to be al-
5 located under this paragraph, the formula used
6 for determining the distribution of operating
7 subsidies for fiscal year 1997 to public housing
8 agencies (as modified under subparagraphs (C)
9 and (D)) under section 9 of the United States
10 Housing Act of 1937, as in effect immediately
11 before the effective date of the repeal under sec-
12 tion 1601(b).

13 (C) TREATMENT OF CHRONICALLY VACANT
14 UNITS.—The Secretary shall revise the formula
15 referred to in subparagraph (B) so that the for-
16 mula does not provide any amounts, other than
17 utility costs and other necessary costs (such as
18 costs necessary for the protection of persons
19 and property), attributable to any dwelling unit
20 of a public housing agency that has been vacant
21 continuously for 6 or more months. A unit shall
22 not be considered vacant for purposes of this
23 paragraph if the unit is unoccupied because of
24 rehabilitation or renovation that is on schedule.

1 (D) TREATMENT OF INCREASES IN IN-
2 COME.—The Secretary shall revise the formula
3 referred to in subparagraph (B) to provide an
4 incentive to encourage public housing agencies
5 to increase nonrental income and to increase
6 rental income attributable to their units by en-
7 couraging occupancy by families whose incomes
8 have increased while in occupancy and newly
9 admitted families. Any such incentive shall pro-
10 vide that the agency shall derive the full benefit
11 of any increase in nonrental or rental income,
12 and such increase shall not result in a decrease
13 in amounts provided to the agency under this
14 title. In addition, an agency shall be permitted
15 to retain, from each fiscal year, the full benefit
16 of such an increase in nonrental or rental in-
17 come, except that such benefit may not be re-
18 tained if—

19 (i) the agency's operating allocation
20 equals 100 percent of the amount for
21 which it is eligible under section 9 of the
22 United States Housing Act of 1937, as in
23 effect immediately before the effective date
24 of the repeal under section 1601(b) of this
25 Act; and

1 (ii) the agency's operating reserve bal-
2 ance is equal to the maximum amount per-
3 mitted under section 9 of the United
4 States Housing Act of 1937, as in effect
5 immediately before the effective date of the
6 repeal under section 1601(b) of this Act.

7 (2) CAPITAL IMPROVEMENT ALLOCATION.—

8 (A) APPLICABILITY TO APPROPRIATED
9 AMOUNTS.—Of any amounts available for allo-
10 cation under this subsection for a fiscal year,
11 an amount shall be used only to provide
12 amounts for capital improvement allocations
13 under this paragraph for eligible public housing
14 agencies that bears the same ratio to such total
15 amount available for allocation that the amount
16 appropriated for fiscal year 1997 for mod-
17 ernization under section 14 of the United
18 States Housing Act of 1937 bears to the sum
19 of such modernization amounts plus the
20 amounts appropriated for such fiscal year for
21 operating subsidies under section 9 of such Act.

22 (B) DETERMINATION.—The capital im-
23 provement allocation under this paragraph for
24 an eligible public housing agency for a fiscal
25 year shall be determined by applying, to the

1 amount to be allocated under this paragraph,
2 the formula used for determining the distribu-
3 tion of modernization assistance for fiscal year
4 1997 to public housing agencies under section
5 14 of the United States Housing Act of 1937,
6 as in effect immediately before the effective
7 date of the repeal under section 1601(b), except
8 that the Secretary shall establish a method for
9 taking into consideration allocation of amounts
10 under the comprehensive improvement assist-
11 ance program.

12 (e) ELIGIBILITY OF UNITS ACQUIRED FROM PRO-
13 CEEDS OF SALES UNDER DEMOLITION OR DISPOSITION
14 PLAN.—If a public housing agency uses proceeds from the
15 sale of units under a homeownership program in accord-
16 ance with section 1251 to acquire additional units to be
17 sold to low-income families, the additional units shall be
18 counted as public housing for purposes of determining the
19 amount of the allocation to the agency under this section
20 until sale by the agency, but in any case no longer than
21 5 years.

22 **SEC. 1205. SANCTIONS FOR IMPROPER USE OF AMOUNTS.**

23 (a) IN GENERAL.—In addition to any other actions
24 authorized under this title, if the Secretary finds pursuant
25 to an audit under section 1541 that a public housing agen-

1 cy receiving grant amounts under this title has failed to
2 comply substantially with any provision of this title, the
3 Secretary may—

4 (1) terminate payments under this title to the
5 agency;

6 (2) withhold from the agency amounts from the
7 total allocation for the agency pursuant to section
8 1204;

9 (3) reduce the amount of future grant pay-
10 ments under this title to the agency by an amount
11 equal to the amount of such payments that were not
12 expended in accordance with this title;

13 (4) limit the availability of grant amounts pro-
14 vided to the agency under this title to programs,
15 projects, or activities not affected by such failure to
16 comply;

17 (5) withhold from the agency amounts allocated
18 for the agency under title XIII; or

19 (6) order other corrective action with respect to
20 the agency.

21 (b) TERMINATION OF COMPLIANCE ACTION.—If the
22 Secretary takes action under subsection (a) with respect
23 to a public housing agency, the Secretary shall—

24 (1) in the case of action under subsection
25 (a)(1), resume payments of grant amounts under

1 this title to the agency in the full amount of the
2 total allocation under section 1204 for the agency at
3 the time that the Secretary first determines that the
4 agency will comply with the provisions of this title;

5 (2) in the case of action under paragraph (2),
6 (5), or (6) of subsection (a), make withheld amounts
7 available as the Secretary considers appropriate to
8 ensure that the agency complies with the provisions
9 of this title; or

10 (3) in the case of action under subsection
11 (a)(4), release such restrictions at the time that the
12 Secretary first determines that the agency will com-
13 ply with the provisions of this title.

14 **Subtitle B—Admissions and**
15 **Occupancy Requirements**

16 **SEC. 1221. LOW-INCOME HOUSING REQUIREMENT.**

17 (a) PRODUCTION ASSISTANCE.—Any public housing
18 produced using amounts provided under a grant under
19 this title or under the United States Housing Act of 1937
20 shall be operated as public housing for the 40-year period
21 beginning upon such production.

22 (b) OPERATING ASSISTANCE.—No portion of any
23 public housing development operated with amounts from
24 a grant under this title or operating assistance provided
25 under the United States Housing Act of 1937 may be dis-

1 posed of before the expiration of the 10-year period begin-
 2 ning upon the conclusion of the fiscal year for which the
 3 grant or such assistance was provided, except as provided
 4 in this Act.

5 (c) CAPITAL IMPROVEMENTS ASSISTANCE.—

6 Amounts may be used for eligible activities under section
 7 1203(a)(1) only for the following housing developments:

8 (1) LOW-INCOME DEVELOPMENTS.—Amounts
 9 may be used for a low-income housing development
 10 that—

11 (A) is owned by public housing agencies;

12 (B) is operated as low-income rental hous-
 13 ing and produced or operated with assistance
 14 provided under a grant under this title; and

15 (C) is consistent with the purposes of this
 16 title.

17 Any development, or portion thereof, referred to in
 18 this paragraph for which activities under section
 19 1203(a)(1) are conducted using amounts from a
 20 grant under this title shall be maintained and used
 21 as public housing for the 20-year period beginning
 22 upon the receipt of such grant. Any public housing
 23 development, or portion thereof, that received the
 24 benefit of a grant pursuant to section 14 of the
 25 United States Housing Act of 1937 shall be main-

1 tained and used as public housing for the 20-year
2 period beginning upon receipt of such amounts.

3 (2) MIXED INCOME DEVELOPMENTS.—Amounts
4 may be used for eligible activities under section
5 1203(a)(1) for mixed-income developments, which
6 shall be a housing development that—

7 (A) contains dwelling units that are avail-
8 able for occupancy by families other than low-
9 income families;

10 (B) contains a number of dwelling units—

11 (i) which units are made available (by
12 master contract or individual lease) for oc-
13 cupancy only by low- and very low-income
14 families identified by the public housing
15 agency;

16 (ii) which number is not less than a
17 reasonable number of units, including re-
18 lated amenities, taking into account the
19 amount of the assistance provided by the
20 agency compared to the total investment
21 (including costs of operation) in the devel-
22 opment;

23 (iii) which units are subject to the
24 statutory and regulatory requirements of
25 the public housing program, except that

1 the Secretary may grant appropriate waiv-
2 ers to such statutory and regulatory re-
3 quirements if reductions in funding or
4 other changes to the program make contin-
5 ued application of such requirements im-
6 practicable;

7 (iv) which units are specially des-
8 ignated as dwelling units under this sub-
9 paragraph, except the equivalent units in
10 the development may be substituted for
11 designated units during the period the
12 units are subject to the requirements of
13 the public housing program; and

14 (v) which units shall be eligible for as-
15 sistance under this title; and

16 (C) is owned by the public housing agency,
17 an affiliate controlled by it, or another appro-
18 priate entity.

19 Notwithstanding any other provision of this title, to
20 facilitate the establishment of socioeconomically
21 mixed communities, a public housing agency that
22 uses grant amounts under this title for a mixed in-
23 come development under this paragraph may, to the
24 extent that income from such a development reduces
25 the amount of grant amounts used for operating or

1 other costs relating to public housing, use such re-
2 sulting savings to rent privately developed dwelling
3 units in the neighborhood of the mixed income devel-
4 opment. Such units shall be made available for occu-
5 pancy only by low-income families eligible for resi-
6 dency in public housing.

7 **SEC. 1222. FAMILY ELIGIBILITY.**

8 (a) IN GENERAL.—Dwelling units in public housing
9 may be rented only to families who are low-income families
10 at the time of their initial occupancy of such units.

11 (b) INCOME MIX WITHIN DEVELOPMENTS.—A public
12 housing agency may establish and utilize income-mix cri-
13 teria for the selection of residents for dwelling units in
14 public housing developments that limit admission to a de-
15 velopment by selecting applicants having incomes appro-
16 priate so that the mix of incomes of families occupying
17 the development at any time is proportional to the income
18 mix in the eligible population of the jurisdiction of the
19 agency at such time, as adjusted to take into consideration
20 the severity of housing need. Any criteria established
21 under this subsection shall be subject to the provisions of
22 subsection (c).

23 (c) INCOME MIX.—

24 (1) PHA INCOME MIX.—Of the public housing
25 dwelling units of a public housing agency made

1 available for occupancy by eligible families, not less
2 than 35 percent shall be occupied by families whose
3 incomes at the time of occupancy do not exceed 30
4 percent of the area median income, as determined by
5 the Secretary with adjustments for smaller and larg-
6 er families, except that the Secretary, may for pur-
7 poses of this subsection, establish income ceilings
8 higher or lower than 30 percent of the median for
9 the area on the basis of the Secretary's findings that
10 such variations are necessary because of unusually
11 high or low family incomes. This paragraph may not
12 be construed to create any authority on the part of
13 any public housing agency to evict any family resid-
14 ing in public housing solely because of the income of
15 the family or because of any noncompliance or over-
16 compliance with the requirement of this paragraph.

17 (2) PROHIBITION OF CONCENTRATION OF LOW-
18 INCOME FAMILIES.—A public housing agency may
19 not, in complying with the requirements under para-
20 graph (1), concentrate very low-income families (or
21 other families with relatively low incomes) in public
22 housing dwelling units in certain public housing de-
23 velopments or certain buildings within developments.
24 The Secretary may review the income and occupancy
25 characteristics of the public housing developments,

1 and the buildings of such developments, of public
2 housing agencies to ensure compliance with the pro-
3 visions of this paragraph.

4 (3) FUNGIBILITY WITH CHOICE-BASED ASSIST-
5 ANCE.—If, during a fiscal year, a public housing
6 agency provides choice-based housing assistance
7 under title XIII for a number of low-income families,
8 who are initially assisted by the agency in such year
9 and have incomes described in section 1321(b) (re-
10 lating to income targeting), which exceeds the num-
11 ber of families that is required for the agency to
12 comply with the percentage requirement under such
13 section 1321(b) for such fiscal year, notwithstanding
14 paragraph (1) of this subsection, the number of pub-
15 lic housing dwelling units that the agency must oth-
16 erwise make available in accordance with such para-
17 graph to comply with the percentage requirement
18 under such paragraph shall be reduced by such ex-
19 cess number of families for such fiscal year.

20 (d) WAIVER OF ELIGIBILITY REQUIREMENTS FOR
21 OCCUPANCY BY POLICE OFFICERS.—

22 (1) AUTHORITY AND WAIVER.—To the extent
23 necessary to provide occupancy in public housing
24 dwelling units to police officers and other law en-
25 forcement or security personnel (who are not other-

1 wise eligible for residence in public housing) and to
2 increase security for other public housing residents
3 in developments where crime has been a problem, a
4 public housing agency may, with respect to such
5 units and subject to paragraph (2)—

6 (A) waive—

7 (i) the provisions of subsection (a) of
8 this section and section 1225(a); and

9 (ii) the applicability of—

10 (I) any preferences for occupancy
11 established under section 1223;

12 (II) the minimum rental amount
13 established pursuant to section
14 1225(c) and any maximum monthly
15 rental amount established pursuant to
16 section 1225(b);

17 (III) any criteria relating to in-
18 come mix within developments estab-
19 lished under subsection (b);

20 (IV) the income mix require-
21 ments under subsection (c); and

22 (V) any other occupancy limita-
23 tions or requirements; and

24 (B) establish special rent requirements and
25 other terms and conditions of occupancy.

1 (2) CONDITIONS OF WAIVER.—A public housing
2 agency may take the actions authorized in para-
3 graph (1) only if agency determines that such ac-
4 tions will increase security in the public housing de-
5 velopments involved and will not result in a signifi-
6 cant reduction of units available for residence by
7 low-income families.

8 **SEC. 1223. PREFERENCES FOR OCCUPANCY.**

9 (a) AUTHORITY TO ESTABLISH.—Each public hous-
10 ing agency may establish a system for making dwelling
11 units in public housing available for occupancy that pro-
12 vides preference for such occupancy to families having cer-
13 tain characteristics.

14 (b) CONTENT.—Each system of preferences estab-
15 lished pursuant to this section shall be based upon local
16 housing needs and priorities, as determined by the public
17 housing agency using generally accepted data sources, in-
18 cluding any information obtained pursuant to an oppor-
19 tunity for public comment as provided under section
20 1106(e) and under the requirements applicable to the
21 comprehensive housing affordability strategy for the rel-
22 evant jurisdiction.

23 (c) SENSE OF THE CONGRESS.—It is the sense of the
24 Congress that, to the greatest extent practicable, public
25 housing agencies involved in the selection of tenants under

1 the provisions of this title should adopt preferences for in-
2 dividuals who are victims of domestic violence.

3 **SEC. 1224. ADMISSION PROCEDURES.**

4 (a) ADMISSION REQUIREMENTS.—A public housing
5 agency shall ensure that each family residing in a public
6 housing development owned or administered by the agency
7 is admitted in accordance with the procedures established
8 under this title by the agency and the income limits under
9 section 1222.

10 (b) NOTIFICATION OF APPLICATION DECISIONS.—A
11 public housing agency shall establish procedures designed
12 to provide for notification to an applicant for admission
13 to public housing of the determination with respect to such
14 application, the basis for the determination, and, if the
15 applicant is determined to be eligible for admission, the
16 projected date of occupancy (to the extent such date can
17 reasonably be determined). If an agency denies an appli-
18 cant admission to public housing, the agency shall notify
19 the applicant that the applicant may request an informal
20 hearing on the denial within a reasonable time of such
21 notification.

22 (c) SITE-BASED WAITING LISTS.—A public housing
23 agency may establish procedures for maintaining waiting
24 lists for admissions to public housing developments of the
25 agency, which may include (notwithstanding any other

1 law, regulation, handbook, or notice to the contrary) a sys-
2 tem of site-based waiting lists whereby applicants may
3 apply directly at or otherwise designate the development
4 or developments in which they seek to reside. All such pro-
5 cedures shall comply with all provisions of title VI of the
6 Civil Rights Act of 1964, the Fair Housing Act, and other
7 applicable civil rights laws.

8 (d) CONFIDENTIALITY FOR VICTIMS OF DOMESTIC
9 VIOLENCE.—A public housing agency shall be subject to
10 the restrictions regarding release of information relating
11 to the identity and new residence of any family in public
12 housing that was a victim of domestic violence that are
13 applicable to shelters pursuant to the Family Violence
14 Prevention and Services Act. The agency shall work with
15 the United States Postal Service to establish procedures
16 consistent with the confidentiality provisions in the Vio-
17 lence Against Women Act of 1994.

18 (e) TRANSFERS.—A public housing agency may
19 apply, to each public housing resident seeking to transfer
20 from one development to another development owned or
21 operated by the agency, the screening procedures applica-
22 ble at such time to new applicants for public housing.

23 **SEC. 1225. FAMILY CHOICE OF RENTAL PAYMENT.**

24 (a) RENTAL CONTRIBUTION BY RESIDENT.—A fam-
25 ily residing in a public housing dwelling shall pay as

1 monthly rent for the unit the amount determined under
2 paragraph (1) or (2) of subsection (b), subject to the re-
3 quirement under subsection (c). Each public housing agen-
4 cy shall provide for each family residing in a public hous-
5 ing dwelling unit owned or administered by the agency to
6 elect annually whether the rent paid by such family shall
7 be determined under paragraph (1) or (2) of subsection
8 (b).

9 (b) ALLOWABLE RENT STRUCTURES.—

10 (1) FLAT RENTS.—Each public housing agency
11 shall establish, for each dwelling unit in public hous-
12 ing owned or administered by the agency, a flat
13 rental amount for the dwelling unit, which shall—

14 (A) be based on the rental value of the
15 unit, as determined by the public housing agen-
16 cy; and

17 (B) be designed in accordance with sub-
18 section (e) so that the rent structures do not
19 create a disincentive for continued residency in
20 public housing by families who are attempting
21 to become economically self-sufficient through
22 employment or who have attained a level of self-
23 sufficiency through their own efforts.

24 The rental amount for a dwelling unit shall be con-
25 sidered to comply with the requirements of this

1 paragraph if such amount does not exceed the actual
2 monthly costs to the public housing agency attrib-
3 utable to providing and operating the dwelling unit.
4 The preceding sentence may not be construed to re-
5 quire establishment of rental amounts equal to or
6 based on operating costs or to prevent public hous-
7 ing agencies from developing flat rents required
8 under this paragraph in any other manner that may
9 comply with this paragraph.

10 (2) INCOME-BASED RENTS.—The monthly rent-
11 al amount determined under this paragraph for a
12 family shall be an amount, determined by the public
13 housing agency, that does not exceed the greatest of
14 the following amounts (rounded to the nearest dol-
15 lar):

16 (A) 30 percent of the monthly adjusted in-
17 come of the family.

18 (B) 10 percent of the monthly income of
19 the family.

20 (C) If the family is receiving payments for
21 welfare assistance from a public agency and a
22 part of such payments, adjusted in accordance
23 with the actual housing costs of the family, is
24 specifically designated by such agency to meet

1 the housing costs of the family, the portion of
2 such payments that is so designated.

3 Nothing in this paragraph may be construed to re-
4 quire a public housing agency to charge a monthly
5 rent in the maximum amount permitted under this
6 paragraph.

7 (c) MINIMUM RENTAL AMOUNT.—Notwithstanding
8 the method for rent determination elected by a family pur-
9 suant to subsection (a), each public housing agency shall
10 require that the monthly rent for each dwelling unit in
11 public housing owned or administered by the agency shall
12 not be less than a minimum amount (which amount shall
13 include any amount allowed for utilities), which shall be
14 an amount determined by the agency that is not less than
15 \$25 nor more than \$50.

16 (d) HARDSHIP PROVISIONS.—

17 (1) MINIMUM RENTAL.—

18 (A) IN GENERAL.—Notwithstanding sub-
19 section (c), a public housing agency shall grant
20 an exemption from application of the minimum
21 monthly rental under such subsection to any
22 family unable to pay such amount because of fi-
23 nancial hardship, which shall include situations
24 in which (i) the family has lost eligibility for or
25 is awaiting an eligibility determination for a

1 Federal, State, or local assistance program, in-
2 cluding a family that includes a member who is
3 an alien lawfully admitted for permanent resi-
4 dence under the Immigration and Nationality
5 Act who would be entitled to public benefits but
6 for title IV of the Personal Responsibility and
7 Work Opportunity Reconciliation Act of 1996;
8 (ii) the family would be evicted as a result of
9 the imposition of the minimum rent require-
10 ment under subsection (c); (iii) the income of
11 the family has decreased because of changed
12 circumstance, including loss of employment; and
13 (iv) a death in the family has occurred; and
14 other situations as may be determined by the
15 agency.

16 (B) WAITING PERIOD.—If a resident re-
17 quests a hardship exemption under this para-
18 graph and the public housing agency reasonably
19 determines the hardship to be of a temporary
20 nature, an exemption shall not be granted dur-
21 ing the 90-day period beginning upon the mak-
22 ing of a request for the exemption. A resident
23 may not be evicted during such 90-day period
24 for nonpayment of rent. In such a case, if the
25 resident thereafter demonstrates that the finan-

1 cial hardship is of a long-term basis, the agency
2 shall retroactively exempt the resident from the
3 applicability of the minimum rent requirement
4 for such 90-day period.

5 (2) SWITCHING RENT DETERMINATION METH-
6 ODS.—Notwithstanding subsection (a), in the case of
7 a family that has elected to pay rent in the amount
8 determined under subsection (b)(1), a public housing
9 agency shall provide for the family to pay rent in the
10 amount determined under subsection (b)(2) during
11 the period for which such election was made if the
12 family is unable to pay the amount determined
13 under subsection (b)(1) because of financial hard-
14 ship, including—

15 (A) situations in which the income of the
16 family has decreased because of changed cir-
17 cumstances, loss of reduction of employment,
18 death in the family, and reduction in or loss of
19 income or other assistance;

20 (B) an increase, because of changed cir-
21 cumstances, in the family's expenses for—

22 (i) medical costs;

23 (ii) child care;

24 (iii) transportation;

25 (iv) education; or

1 (v) similar items; and

2 (C) such other situations as may be deter-
3 mined by the agency.

4 (e) ENCOURAGEMENT OF SELF-SUFFICIENCY.—The
5 rental policy developed by each public housing agency shall
6 encourage and reward employment and economic self-suf-
7 ficiency.

8 (f) INCOME REVIEWS.—Each public housing agency
9 shall review the income of each family occupying a dwell-
10 ing unit in public housing owned or administered by the
11 agency not less than annually, except that, in the case of
12 families that are paying rent in the amount determined
13 under subsection (b)(1), the agency shall review the in-
14 come of such family not less than once every 3 years.

15 (g) DISALLOWANCE OF EARNED INCOME FROM
16 RENT DETERMINATIONS.—

17 (1) IN GENERAL.—Notwithstanding any other
18 provision of law, the rent payable under this section
19 by a family whose income increases as a result of
20 employment of a member of the family who was pre-
21 viously unemployed for 1 or more years (including a
22 family whose income increases as a result of the par-
23 ticipation of a family member in any family self-suf-
24 ficiency or other job training program) may not be
25 increased as a result of the increased income due to

1 such employment during the 18-month period begin-
2 ning on the date on which the employment is com-
3 menced.

4 (2) PHASE-IN OF RENT INCREASES.—After the
5 expiration of the 18-month period referred to in
6 paragraph (1), rent increases due to the continued
7 employment of the family member described in para-
8 graph (1) shall be phased in over a subsequent 3-
9 year period.

10 (3) TRANSITION.—Notwithstanding the provi-
11 sions of paragraphs (1) and (2), any resident of
12 public housing participating in the program under
13 the authority contained in the undesignated para-
14 graph at the end of section 3(c)(3) of the United
15 States Housing Act of 1937 (as in effect before the
16 effective date of the repeal under section 1601(b) of
17 this Act) shall be governed by such authority after
18 such date.

19 (h) PHASE-IN OF RENT CONTRIBUTION INCREASES
20 AFTER EFFECTIVE DATE.—

21 (1) IN GENERAL.—Except as provided in para-
22 graph (2), for any family residing in a dwelling unit
23 in public housing upon the effective date of this divi-
24 sion, if the monthly contribution for rental of an as-
25 sisted dwelling unit to be paid by the family upon

1 initial applicability of this title is greater than the
2 amount paid by the family under the provisions of
3 the United States Housing Act of 1937 immediately
4 before such applicability, any such resulting increase
5 in rent contribution shall be—

6 (A) phased in equally over a period of not
7 less than 3 years, if such increase is 30 percent
8 or more of such contribution before initial ap-
9 plicability; and

10 (B) limited to not more than 10 percent
11 per year if such increase is more than 10 per-
12 cent but less than 30 percent of such contribu-
13 tion before initial applicability.

14 (2) EXCEPTION.—The minimum rental amount
15 under subsection (c) shall apply to each family de-
16 scribed in paragraph (1) of this subsection, notwith-
17 standing such paragraph.

18 **SEC. 1226. LEASE REQUIREMENTS.**

19 In renting dwelling units in a public housing develop-
20 ment, each public housing agency shall utilize leases
21 that—

22 (1) do not contain unreasonable terms and con-
23 ditions;

1 (2) obligate the public housing agency to main-
2 tain the development in compliance with the housing
3 quality requirements under section 1232;

4 (3) require the public housing agency to give
5 adequate written notice of termination of the lease,
6 which shall not be less than—

7 (A) the period provided under the applica-
8 ble law of the jurisdiction or 14 days, whichever
9 is less, in the case of nonpayment of rent;

10 (B) a reasonable period of time, but not to
11 exceed 14 days, when the health or safety of
12 other residents or public housing agency em-
13 ployees is threatened; and

14 (C) the period of time provided under the
15 applicable law of the jurisdiction, in any other
16 case;

17 (4) contain the provisions required under sec-
18 tions 1642 and 1643 (relating to limitations on oc-
19 cupancy in federally assisted housing); and

20 (5) specify that, with respect to any notice of
21 eviction or termination, notwithstanding any State
22 law, a public housing resident shall be informed of
23 the opportunity, prior to any hearing or trial, to ex-
24 amine any relevant documents, records or regula-
25 tions directly related to the eviction or termination.

1 **SEC. 1227. DESIGNATED HOUSING FOR ELDERLY AND DIS-**
2 **ABLED FAMILIES.**

3 (a) AUTHORITY TO PROVIDE DESIGNATED HOUS-
4 ING.—

5 (1) IN GENERAL.—Subject only to provisions of
6 this section and notwithstanding any other provision
7 of law, a public housing agency for which the infor-
8 mation required under subsection (d) is in effect
9 may provide public housing developments (or por-
10 tions of developments) designated for occupancy by
11 (A) only elderly families, (B) only disabled families,
12 or (C) elderly and disabled families.

13 (2) PRIORITY FOR OCCUPANCY.—In determin-
14 ing priority for admission to public housing develop-
15 ments (or portions of developments) that are des-
16 ignated for occupancy as provided in paragraph (1),
17 the public housing agency may make units in such
18 developments (or portions) available only to the
19 types of families for whom the development is des-
20 ignated.

21 (3) ELIGIBILITY OF NEAR-ELDERLY FAMI-
22 LIES.—If a public housing agency determines that
23 there are insufficient numbers of elderly families to
24 fill all the units in a development (or portion of a
25 development) designated under paragraph (1) for oc-
26 cupancy by only elderly families, the agency may

1 provide that near-elderly families may occupy dwell-
2 ing units in the development (or portion).

3 (b) STANDARDS REGARDING EVICTIONS.—Except as
4 provided in subtitle C of title XVI, any tenant who is law-
5 fully residing in a dwelling unit in a public housing devel-
6 opment may not be evicted or otherwise required to vacate
7 such unit because of the designation of the development
8 (or portion of a development) pursuant to this section or
9 because of any action taken by the Secretary or any public
10 housing agency pursuant to this section.

11 (c) RELOCATION ASSISTANCE.—A public housing
12 agency that designates any existing development or build-
13 ing, or portion thereof, for occupancy as provided under
14 subsection (a)(1) shall provide, to each person and family
15 who agrees to be relocated in connection with such des-
16 ignation—

17 (1) notice of the designation and an explanation
18 of available relocation benefits, as soon as is prac-
19 ticable for the agency and the person or family;

20 (2) access to comparable housing (including ap-
21 propriate services and design features), which may
22 include choice-based rental housing assistance under
23 title XIII, at a rental rate paid by the tenant that
24 is comparable to that applicable to the unit from
25 which the person or family has vacated; and

1 (3) payment of actual, reasonable moving ex-
2 penses.

3 (d) REQUIRED INCLUSIONS IN LOCAL HOUSING
4 MANAGEMENT PLAN.—A public housing agency may des-
5 ignate a development (or portion of a development) for
6 occupancy under subsection (a)(1) only if the agency, as
7 part of the agency’s local housing management plan—

8 (1) establishes that the designation of the devel-
9 opment is necessary—

10 (A) to achieve the housing goals for the ju-
11 risdiction under the comprehensive housing af-
12 fordability strategy under section 105 of the
13 Cranston-Gonzalez National Affordable Hous-
14 ing Act; or

15 (B) to meet the housing needs of the low-
16 income population of the jurisdiction; and

17 (2) includes a description of—

18 (A) the development (or portion of a devel-
19 opment) to be designated;

20 (B) the types of tenants for which the de-
21 velopment is to be designated;

22 (C) any supportive services to be provided
23 to tenants of the designated development (or
24 portion);

1 (D) how the design and related facilities
2 (as such term is defined in section 202(d)(8) of
3 the Housing Act of 1959) of the development
4 accommodate the special environmental needs
5 of the intended occupants; and

6 (E) any plans to secure additional re-
7 sources or housing assistance to provide assist-
8 ance to families that may have been housed if
9 occupancy in the development were not re-
10 stricted pursuant to this section.

11 For purposes of this subsection, the term “supportive
12 services” means services designed to meet the special
13 needs of residents. Notwithstanding section 1107, the Sec-
14 retary may approve a local housing management plan
15 without approving the portion of the plan covering des-
16 ignation of a development pursuant to this section.

17 (e) EFFECTIVENESS.—

18 (1) INITIAL 5-YEAR EFFECTIVENESS.—The in-
19 formation required under subsection (d) shall be in
20 effect for purposes of this section during the 5-year
21 period that begins upon notification under section
22 1107(a) of the public housing agency that the infor-
23 mation complies with the requirements under section
24 1106 and this section.

1 (2) RENEWAL.—Upon the expiration of the 5-
2 year period under paragraph (1) or any 2-year pe-
3 riod under this paragraph, an agency may extend
4 the effectiveness of the designation and information
5 for an additional 2-year period (that begins upon
6 such expiration) by submitting to the Secretary any
7 information needed to update the information. The
8 Secretary may not limit the number of times a pub-
9 lic housing agency extends the effectiveness of a des-
10 ignation and information under this paragraph.

11 (3) TREATMENT OF EXISTING PLANS.—Not-
12 withstanding any other provision of this section, a
13 public housing agency shall be considered to have
14 submitted the information required under this sec-
15 tion if the agency has submitted to the Secretary an
16 application and allocation plan under section 7 of
17 the United States Housing Act of 1937 (as in effect
18 before the effective date of the repeal under section
19 1601(b) of this Act) that has not been approved or
20 disapproved before such effective date.

21 (4) TRANSITION PROVISION.—Any application
22 and allocation plan approved under section 7 of the
23 United States Housing Act of 1937 (as in effect be-
24 fore the effective date of the repeal under section
25 1601(b) of this Act) before such effective date shall

1 be considered to be the information required to be
 2 submitted under this section and that is in effect for
 3 purposes of this section for the 5-year period begin-
 4 ning upon such approval.

5 (f) INAPPLICABILITY OF UNIFORM RELOCATION AS-
 6 SISTANCE AND REAL PROPERTY ACQUISITIONS POLICY
 7 ACT OF 1970.—No resident of a public housing develop-
 8 ment shall be considered to be displaced for purposes of
 9 the Uniform Relocation Assistance and Real Property Ac-
 10 quisitions Policy Act of 1970 because of the designation
 11 of any existing development or building, or portion thereof,
 12 for occupancy as provided under subsection (a) of this sec-
 13 tion.

14 (g) USE OF AMOUNTS.—Any amounts appropriated
 15 pursuant to section 10(b) of the Housing Opportunity
 16 Program Extension Act of 1996 (Public Law 104–120)
 17 may also be used, to the extent or in such amounts as
 18 are or have been provided in advance in appropriation
 19 Acts, for choice-based rental housing assistance under title
 20 XIII for public housing agencies to implement this section.

21 **Subtitle C—Management**

22 **SEC. 1231. MANAGEMENT PROCEDURES.**

23 (a) SOUND MANAGEMENT.—A public housing agency
 24 that receives grant amounts under this title shall establish
 25 and comply with procedures and practices sufficient to en-

1 sure that the public housing developments owned or ad-
2 ministered by the agency are operated in a sound manner.

3 (b) ACCOUNTING SYSTEM FOR RENTAL COLLEC-
4 TIONS AND COSTS.—

5 (1) ESTABLISHMENT.—Each public housing
6 agency that receives grant amounts under this title
7 shall establish and maintain a system of accounting
8 for rental collections and costs (including adminis-
9 trative, utility, maintenance, repair, and other oper-
10 ating costs) for each project and operating cost cen-
11 ter (as determined by the Secretary).

12 (2) ACCESS TO RECORDS.—Each public housing
13 agency shall make available to the general public the
14 information required pursuant to paragraph (1) re-
15 garding collections and costs.

16 (3) EXEMPTION.—The Secretary may permit
17 authorities owning or operating fewer than 500
18 dwelling units to comply with the requirements of
19 this subsection by accounting on an agency-wide
20 basis.

21 (c) MANAGEMENT BY OTHER ENTITIES.—Except as
22 otherwise provided under this division, a public housing
23 agency may contract with any other entity to perform any
24 of the management functions for public housing owned or
25 operated by the public housing agency.

1 **SEC. 1232. HOUSING QUALITY REQUIREMENTS.**

2 (a) IN GENERAL.—Each public housing agency that
3 receives grant amounts under this division shall maintain
4 its public housing in a condition that complies—

5 (1) in the case of public housing located in a ju-
6 risdiction which has in effect laws, regulations,
7 standards, or codes regarding habitability of residen-
8 tial dwellings, with such applicable laws, regulations,
9 standards, or codes; or

10 (2) in the case of public housing located in a ju-
11 risdiction which does not have in effect laws, regula-
12 tions, standards, or codes described in paragraph
13 (1), with the housing quality standards established
14 under subsection (b).

15 (b) FEDERAL HOUSING QUALITY STANDARDS.—The
16 Secretary shall establish housing quality standards under
17 this subsection that ensure that public housing dwelling
18 units are safe, clean, and healthy. Such standards shall
19 include requirements relating to habitability, including
20 maintenance, health and sanitation factors, condition, and
21 construction of dwellings, and shall, to the greatest extent
22 practicable, be consistent with the standards established
23 under section 1328(c). The Secretary shall differentiate
24 between major and minor violations of such standards.

25 (c) DETERMINATIONS.—Each public housing agency
26 providing housing assistance shall identify, in the local

1 housing management plan of the agency, whether the
2 agency is utilizing the standard under paragraph (1) or
3 (2) of subsection (a).

4 (d) ANNUAL INSPECTIONS.—Each public housing
5 agency that owns or operates public housing shall make
6 an annual inspection of each public housing development
7 to determine whether units in the development are main-
8 tained in accordance with the requirements under sub-
9 section (a). The agency shall retain the results of such
10 inspections and, upon the request of the Secretary, the
11 Inspector General for the Department of Housing and
12 Urban Development, or any auditor conducting an audit
13 under section 1541, shall make such results available.

14 **SEC. 1233. EMPLOYMENT OF RESIDENTS.**

15 Section 3 of the Housing and Urban Development
16 Act of 1968 (12 U.S.C. 1701u) is amended—

17 (1) in subsection (c)(1)—

18 (A) in subparagraph (A)—

19 (i) by striking “public and Indian
20 housing agencies” and inserting “public
21 housing agencies and recipients of grants
22 under the Native American Housing As-
23 sistance and Self-Determination Act of
24 1996”; and

1 (ii) by striking “development assist-
2 ance” and all that follows through the end
3 and inserting “assistance provided under
4 title XII of the Housing Opportunity and
5 Responsibility Act of 1998 and used for
6 the housing production, operation, or cap-
7 ital needs.”; and

8 (B) in subparagraph (B)(ii), by striking
9 “managed by the public or Indian housing
10 agency” and inserting “assisted by the public
11 housing agency or the recipient of a grant
12 under the Native American Housing Assistance
13 and Self-Determination Act of 1996”;

14 (2) in subsection (d)(1)—

15 (A) in subparagraph (A)—

16 (i) by striking “public and Indian
17 housing agencies” and inserting “public
18 housing agencies and recipients of grants
19 under the Native American Housing As-
20 sistance and Self-Determination Act of
21 1996”; and

22 (ii) by striking “development assist-
23 ance” and all that follows through “section
24 14 of that Act” and inserting “assistance
25 provided under title XII of the Housing

1 Opportunity and Responsibility Act of
 2 1998 and used for the housing production,
 3 operation, or capital needs”; and

4 (B) in subparagraph (B)(ii), by striking
 5 “operated by the public or Indian housing agen-
 6 cy” and inserting “assisted by the public hous-
 7 ing agency or the recipient of a grant under the
 8 Native American Housing Assistance and Self-
 9 Determination Act of 1996”;

10 (3) in subsections (c)(1)(A) and (d)(1)(A), by
 11 striking “make their best efforts,” each place it ap-
 12 pears and inserting “to the maximum extent that is
 13 possible and”;

14 (4) in subsection (c)(1)(A), by striking “to
 15 give” and inserting “give”; and

16 (5) in subsection (d)(1)(A), by striking “to
 17 award” and inserting “award”.

18 **SEC. 1234. RESIDENT COUNCILS AND RESIDENT MANAGE-**
 19 **MENT CORPORATIONS.**

20 (a) RESIDENT COUNCILS.—The residents of a public
 21 housing development may establish a resident council for
 22 the development for purposes of consideration of issues re-
 23 lating to residents, representation of resident interests,
 24 and coordination and consultation with a public housing

1 agency. A resident council shall be an organization or as-
2 sociation that—

3 (1) is nonprofit in character;

4 (2) is representative of the residents of the eli-
5 gible housing;

6 (3) adopts written procedures providing for the
7 election of officers on a regular basis; and

8 (4) has a democratically elected governing
9 board, which is elected by the residents of the eligi-
10 ble housing on a regular basis.

11 (b) RESIDENT MANAGEMENT CORPORATIONS.—

12 (1) ESTABLISHMENT.—The residents of a pub-
13 lic housing development may establish a resident
14 management corporation for the purpose of assum-
15 ing the responsibility for the management of the de-
16 velopment under section 1235 or purchasing a devel-
17 opment.

18 (2) REQUIREMENTS.—A resident management
19 corporation shall be a corporation that—

20 (A) is nonprofit in character;

21 (B) is organized under the laws of the
22 State in which the development is located;

23 (C) has as its sole voting members the
24 residents of the development; and

1 (D) is established by the resident council
2 for the development or, if there is not a resident
3 council, by a majority of the households of the
4 development.

5 **SEC. 1235. MANAGEMENT BY RESIDENT MANAGEMENT COR-**
6 **PORATION.**

7 (a) **AUTHORITY.**—A public housing agency may enter
8 into a contract under this section with a resident manage-
9 ment corporation to provide for the management of public
10 housing developments by the corporation.

11 (b) **CONTRACT.**—A contract under this section for
12 management of public housing developments by a resident
13 management corporation shall establish the respective
14 management rights and responsibilities of the corporation
15 and the public housing agency. The contract shall be con-
16 sistent with the requirements of this division applicable
17 to public housing development and may include specific
18 terms governing management personnel and compensa-
19 tion, access to public housing records, submission of and
20 adherence to budgets, rent collection procedures, resident
21 income verification, resident eligibility determinations,
22 resident eviction, the acquisition of supplies and materials
23 and such other matters as may be appropriate. The con-
24 tract shall be treated as a contracting out of services.

1 (c) BONDING AND INSURANCE.—Before assuming
2 any management responsibility for a public housing devel-
3 opment, the resident management corporation shall pro-
4 vide fidelity bonding and insurance, or equivalent protec-
5 tion. Such bonding and insurance, or its equivalent, shall
6 be adequate to protect the Secretary and the public hous-
7 ing agency against loss, theft, embezzlement, or fraudulent
8 acts on the part of the resident management corporation
9 or its employees.

10 (d) BLOCK GRANT ASSISTANCE AND INCOME.—A
11 contract under this section shall provide for—

12 (1) the public housing agency to provide a por-
13 tion of the block grant assistance under this title to
14 the resident management corporation for purposes of
15 operating the public housing development covered by
16 the contract and performing such other eligible ac-
17 tivities with respect to the development as may be
18 provided under the contract;

19 (2) the amount of income expected to be de-
20 rived from the development itself (from sources such
21 as rents and charges);

22 (3) the amount of income to be provided to the
23 development from the other sources of income of the
24 public housing agency (such as interest income, ad-
25 ministrative fees, and rents); and

1 (4) any income generated by a resident man-
2 agement corporation of a public housing develop-
3 ment that exceeds the income estimated under the
4 contract shall be used for eligible activities under
5 section 1203(a).

6 (e) CALCULATION OF TOTAL INCOME.—

7 (1) MAINTENANCE OF SUPPORT.—Subject to
8 paragraph (2), the amount of assistance provided by
9 a public housing agency to a public housing develop-
10 ment managed by a resident management corpora-
11 tion may not be reduced during the 3-year period be-
12 ginning on the date on which the resident manage-
13 ment corporation is first established for the develop-
14 ment.

15 (2) REDUCTIONS AND INCREASES IN SUP-
16 PORT.—If the total income of a public housing agen-
17 cy is reduced or increased, the income provided by
18 the public housing agency to a public housing devel-
19 opment managed by a resident management corpora-
20 tion shall be reduced or increased in proportion to
21 the reduction or increase in the total income of the
22 agency, except that any reduction in block grant
23 amounts under this title to the agency that occurs
24 as a result of fraud, waste, or mismanagement by

1 the agency shall not affect the amount provided to
2 the resident management corporation.

3 **SEC. 1236. TRANSFER OF MANAGEMENT OF CERTAIN HOUS-**
4 **ING TO INDEPENDENT MANAGER AT RE-**
5 **QUEST OF RESIDENTS.**

6 (a) **AUTHORITY.**—The Secretary may transfer the re-
7 sponsibility and authority for management of specified
8 housing (as such term is defined in subsection (h)) from
9 a public housing agency to an eligible management entity,
10 in accordance with the requirements of this section, if—

11 (1) such housing is owned or operated by a
12 public housing agency that is designated as a trou-
13 bled agency under section 1533(a); and

14 (2) the Secretary determines that—

15 (A) such housing has deferred mainte-
16 nance, physical deterioration, or obsolescence of
17 major systems and other deficiencies in the
18 physical plant of the project;

19 (B) such housing is occupied predomi-
20 nantly by families with children who are in a
21 severe state of distress, characterized by such
22 factors as high rates of unemployment, teenage
23 pregnancy, single-parent households, long-term
24 dependency on public assistance and minimal
25 educational achievement;

1 (C) such housing is located in an area such
2 that the housing is subject to recurrent vandal-
3 ism and criminal activity (including drug-relat-
4 ed criminal activity); and

5 (D) the residents can demonstrate that the
6 elements of distress for such housing specified
7 in subparagraphs (A) through (C) can be rem-
8 edied by an entity that has a demonstrated ca-
9 pacity to manage, with reasonable expenses for
10 modernization.

11 Such a transfer may be made only as provided in this sec-
12 tion, pursuant to the approval by the Secretary of a re-
13 quest for the transfer made by a majority vote of the resi-
14 dents for the specified housing, after consultation with the
15 public housing agency for the specified housing.

16 (b) BLOCK GRANT ASSISTANCE.—Pursuant to a con-
17 tract under subsection (c), the Secretary shall require the
18 public housing agency for specified housing to provide to
19 the manager for the housing, from any block grant
20 amounts under this title for the agency, fair and reason-
21 able amounts for operating costs for the housing. The
22 amount made available under this subsection to a manager
23 shall be determined by the Secretary based on the share
24 for the specified housing of the total block grant amounts
25 for the public housing agency transferring the housing,

1 taking into consideration the operating and capital im-
2 provement needs of the specified housing, the operating
3 and capital improvement needs of the remaining public
4 housing units managed by the public housing agency, and
5 the local housing management plan of such agency.

6 (c) CONTRACT BETWEEN SECRETARY AND MAN-
7 AGER.—

8 (1) REQUIREMENTS.—Pursuant to the approval
9 of a request under this section for transfer of the
10 management of specified housing, the Secretary shall
11 enter into a contract with the eligible management
12 entity.

13 (2) TERMS.— A contract under this subsection
14 shall contain provisions establishing the rights and
15 responsibilities of the manager with respect to the
16 specified housing and the Secretary and shall be
17 consistent with the requirements of this division ap-
18 plicable to public housing developments.

19 (d) COMPLIANCE WITH LOCAL HOUSING MANAGE-
20 MENT PLAN.—A manager of specified housing under this
21 section shall comply with the approved local housing man-
22 agement plan applicable to the housing and shall submit
23 such information to the public housing agency from which
24 management was transferred as may be necessary for such

1 agency to prepare and update its local housing manage-
2 ment plan.

3 (e) DEMOLITION AND DISPOSITION BY MANAGER.—

4 A manager under this section may demolish or dispose of
5 specified housing only if, and in the manner, provided for
6 in the local housing management plan for the agency
7 transferring management of the housing.

8 (f) LIMITATION ON PHA LIABILITY.—A public hous-

9 ing agency that is not a manager for specified housing
10 shall not be liable for any act or failure to act by a man-
11 ager or resident council for the specified housing.

12 (g) TREATMENT OF MANAGER.—To the extent not

13 inconsistent with this section and to the extent the Sec-
14 retary determines not inconsistent with the purposes of
15 this division, a manager of specified housing under this
16 section shall be considered to be a public housing agency
17 for purposes of this title.

18 (h) DEFINITIONS.—For purposes of this section, the

19 following definitions shall apply:

20 (1) ELIGIBLE MANAGEMENT ENTITY.—The

21 term “eligible management entity” means, with re-
22 spect to any public housing development, any of the
23 following entities:

24 (A) NONPROFIT ORGANIZATION.—A public

25 or private nonprofit organization, which shall—

1 (i) include a resident management
2 corporation or resident management orga-
3 nization and, as determined by the Sec-
4 retary, a public or private nonprofit orga-
5 nization sponsored by the public housing
6 agency that owns the development; and

7 (ii) not include the public housing
8 agency that owns the development.

9 (B) FOR-PROFIT ENTITY.—A for-profit en-
10 tity that has demonstrated experience in provid-
11 ing low-income housing.

12 (C) STATE OR LOCAL GOVERNMENT.—A
13 State or local government, including an agency
14 or instrumentality thereof.

15 (D) PUBLIC HOUSING AGENCY.—A public
16 housing agency (other than the public housing
17 agency that owns the development).

18 The term does not include a resident council.

19 (2) MANAGER.—The term “manager” means
20 any eligible management entity that has entered into
21 a contract under this section with the Secretary for
22 the management of specified housing.

23 (3) NONPROFIT.—The term “nonprofit” means,
24 with respect to an organization, association, corpora-
25 tion, or other entity, that no part of the net earnings

1 of the entity inures to the benefit of any member,
2 founder, contributor, or individual.

3 (4) PRIVATE NONPROFIT ORGANIZATION.—The
4 term “private nonprofit organization” means any
5 private organization (including a State or locally
6 chartered organization) that—

7 (A) is incorporated under State or local
8 law;

9 (B) is nonprofit in character;

10 (C) complies with standards of financial
11 accountability acceptable to the Secretary; and

12 (D) has among its purposes significant ac-
13 tivities related to the provision of decent hous-
14 ing that is affordable to low-income families.

15 (5) PUBLIC HOUSING AGENCY.—The term
16 “public housing agency” has the meaning given such
17 term in section 1103(a).

18 (6) PUBLIC NONPROFIT ORGANIZATION.—The
19 term “public nonprofit organization” means any
20 public entity that is nonprofit in character.

21 (7) SPECIFIED HOUSING.—The term “specified
22 housing” means a public housing development or de-
23 velopments, or a portion of a development or devel-
24 opments, for which the transfer of management is
25 requested under this section. The term includes one

1 or more contiguous buildings and an area of contig-
2 uous row houses, but in the case of a single building,
3 the building shall be sufficiently separable from the
4 remainder of the development of which it is part to
5 make transfer of the management of the building
6 feasible for purposes of this section.

7 **SEC. 1237. RESIDENT OPPORTUNITY PROGRAM.**

8 (a) PURPOSE.—The purpose of this section is to en-
9 courage increased resident management of public housing
10 developments, as a means of improving existing living con-
11 ditions in public housing developments, by providing in-
12 creased flexibility for public housing developments that are
13 managed by residents by—

14 (1) permitting the retention, and use for certain
15 purposes, of any revenues exceeding operating and
16 project costs; and

17 (2) providing funding, from amounts otherwise
18 available, for technical assistance to promote forma-
19 tion and development of resident management enti-
20 ties.

21 For purposes of this section, the term “public housing de-
22 velopment” includes one or more contiguous buildings or
23 an area of contiguous row houses the elected resident
24 councils of which approve the establishment of a resident

1 management corporation and otherwise meet the require-
2 ments of this section.

3 (b) PROGRAM REQUIREMENTS.—

4 (1) RESIDENT COUNCIL.—As a condition of en-
5 tering into a resident opportunity program, the
6 elected resident council of a public housing develop-
7 ment shall approve the establishment of a resident
8 management corporation that complies with the re-
9 quirements of section 1234(b)(2). When such ap-
10 proval is made by the elected resident council of a
11 building or row house area, the resident opportunity
12 program shall not interfere with the rights of other
13 families residing in the development or harm the ef-
14 ficient operation of the development. The resident
15 management corporation and the resident council
16 may be the same organization, if the organization
17 complies with the requirements applicable to both
18 the corporation and council.

19 (2) PUBLIC HOUSING MANAGEMENT SPECIAL-
20 IST.—The resident council of a public housing devel-
21 opment, in cooperation with the public housing agen-
22 cy, shall select a qualified public housing manage-
23 ment specialist to assist in determining the feasibil-
24 ity of, and to help establish, a resident management

1 corporation and to provide training and other duties
2 agreed to in the daily operations of the development.

3 (3) MANAGEMENT RESPONSIBILITIES.—A resi-
4 dent management corporation that qualifies under
5 this section, and that supplies insurance and bond-
6 ing or equivalent protection sufficient to the Sec-
7 retary and the public housing agency, shall enter
8 into a contract with the agency establishing the re-
9 spective management rights and responsibilities of
10 the corporation and the agency. The contract shall
11 be treated as a contracting out of services and shall
12 be subject to the requirements under section 1235
13 for such contracts.

14 (4) ANNUAL AUDIT.—The books and records of
15 a resident management corporation operating a pub-
16 lic housing development shall be audited annually by
17 a certified public accountant. A written report of
18 each such audit shall be forwarded to the public
19 housing agency and the Secretary.

20 (c) COMPREHENSIVE IMPROVEMENT ASSISTANCE.—
21 Public housing developments managed by resident man-
22 agement corporations may be provided with modernization
23 assistance from grant amounts under this title for pur-
24 poses of renovating such developments. If such renovation
25 activities (including the planning and architectural design

1 of the rehabilitation) are administered by a resident man-
2 agement corporation, the public housing agency involved
3 may not retain, for any administrative or other reason,
4 any portion of the assistance provided pursuant to this
5 subsection unless otherwise provided by contract.

6 (d) WAIVER OF FEDERAL REQUIREMENTS.—

7 (1) WAIVER OF REGULATORY REQUIRE-
8 MENTS.—Upon the request of any resident manage-
9 ment corporation and public housing agency, and
10 after notice and an opportunity to comment is af-
11 forded to the affected residents, the Secretary may
12 waive (for both the resident management corporation
13 and the public housing agency) any requirement es-
14 tablished by the Secretary (and not specified in any
15 statute) that the Secretary determines to unneces-
16 sarily increase the costs or restrict the income of a
17 public housing development.

18 (2) WAIVER TO PERMIT EMPLOYMENT.—Upon
19 the request of any resident management corporation,
20 the Secretary may, subject to applicable collective
21 bargaining agreements, permit residents of such de-
22 velopment to volunteer a portion of their labor.

23 (3) EXCEPTIONS.—The Secretary may not
24 waive under this subsection any requirement with re-
25 spect to income eligibility for purposes of section

1 1222, family rental payments under section 1225,
2 tenant or applicant protections, employee organizing
3 rights, or rights of employees under collective bar-
4 gaining agreements.

5 (e) OPERATING ASSISTANCE AND DEVELOPMENT IN-
6 COME.—

7 (1) CALCULATION OF OPERATING SUBSIDY.—

8 The grant amounts received under this title by a
9 public housing agency used for operating fund activi-
10 ties under section 1203(a)(2) that are allocated to a
11 public housing development managed by a resident
12 management corporation shall not be less than per
13 unit monthly amount of such assistance used by the
14 public housing agency in the previous year, as deter-
15 mined on an individual development basis.

16 (2) CONTRACT REQUIREMENTS.—Any contract
17 for management of a public housing development en-
18 tered into by a public housing agency and a resident
19 management corporation shall specify the amount of
20 income expected to be derived from the development
21 itself (from sources such as rents and charges) and
22 the amount of income funds to be provided to the
23 development from the other sources of income of the
24 agency (such as assistance for operating activities

1 under section 1203(a)(2), interest income, adminis-
2 trative fees, and rents).

3 (f) RESIDENT MANAGEMENT TECHNICAL ASSIST-
4 ANCE AND TRAINING.—

5 (1) FINANCIAL ASSISTANCE.—To the extent
6 budget authority is available under this title, the
7 Secretary shall provide financial assistance to resi-
8 dent management corporations or resident councils
9 that obtain, by contract or otherwise, technical as-
10 sistance for the development of resident management
11 entities, including the formation of such entities, the
12 development of the management capability of newly
13 formed or existing entities, the identification of the
14 social support needs of residents of public housing
15 developments, and the securing of such support. In
16 addition, the Secretary may provide financial assist-
17 ance to resident management corporations or resi-
18 dent councils for activities sponsored by resident or-
19 ganizations for economic uplift, such as job training,
20 economic development, security, and other self-suffi-
21 ciency activities beyond those related to the manage-
22 ment of public housing. The Secretary may require
23 resident councils or resident management corpora-
24 tions to utilize public housing agencies or other
25 qualified organizations as contract administrators

1 with respect to financial assistance provided under
2 this paragraph.

3 (2) LIMITATION ON ASSISTANCE.—The finan-
4 cial assistance provided under this subsection with
5 respect to any public housing development may not
6 exceed \$100,000.

7 (3) PROHIBITION.—A resident management
8 corporation or resident council may not, before the
9 award to the corporation or council of a grant
10 amount under this subsection, enter into any con-
11 tract or other agreement with any entity to provide
12 such entity with amounts from the grant for provid-
13 ing technical assistance or carrying out other activi-
14 ties eligible for assistance with amounts under this
15 subsection. Any such agreement entered into in vio-
16 lation of this paragraph shall be void and unenforce-
17 able.

18 (4) FUNDING.—Of any amounts made available
19 under section 1282(1) for use under the capital
20 fund, the Secretary may use to carry out this sub-
21 section \$15,000,000 for fiscal year 1998.

22 (5) LIMITATION REGARDING ASSISTANCE
23 UNDER HOPE GRANT PROGRAM.—The Secretary may
24 not provide financial assistance under this sub-
25 section to any resident management corporation or

1 resident council with respect to which assistance for
2 the development or formation of such entity is pro-
3 vided under title III of the United States Housing
4 Act of 1937 (as in effect before the effective date of
5 the repeal under section 1601(b) of this Act).

6 (6) TECHNICAL ASSISTANCE AND CLEARING-
7 HOUSE.—The Secretary may use up to 10 percent of
8 the amount made available pursuant to paragraph
9 (4)—

10 (A) to provide technical assistance, directly
11 or by grant or contract, and

12 (B) to receive, collect, process, assemble,
13 and disseminate information,

14 in connection with activities under this subsection.

15 (g) ASSESSMENT AND REPORT BY SECRETARY.—Not
16 later than 3 years after the date of the enactment of this
17 Act, the Secretary shall—

18 (1) conduct an evaluation and assessment of
19 resident management, and particularly of the effect
20 of resident management on living conditions in pub-
21 lic housing; and

22 (2) submit to the Congress a report setting
23 forth the findings of the Secretary as a result of the
24 evaluation and assessment and including any rec-

1 ommendations the Secretary determines to be appro-
2 prium.

3 (h) APPLICABILITY.—Any management contract be-
4 tween a public housing agency and a resident management
5 corporation that is entered into after the date of the enact-
6 ment of the Stewart B. McKinney Homeless Assistance
7 Amendments Act of 1988 shall be subject to this section
8 and any regulations issued to carry out this section.

9 **Subtitle D—Homeownership**

10 **SEC. 1251. RESIDENT HOMEOWNERSHIP PROGRAMS.**

11 (a) IN GENERAL.—A public housing agency may
12 carry out a homeownership program in accordance with
13 this section and the local housing management plan of the
14 agency to make public housing dwelling units, public hous-
15 ing developments, and other housing projects available for
16 purchase by low-income families. An agency may transfer
17 a unit only pursuant to a homeownership program ap-
18 proved by the Secretary. Notwithstanding section 1107,
19 the Secretary may approve a local housing management
20 plan without approving the portion of the plan regarding
21 a homeownership program pursuant to this section. In the
22 case of the portion of a plan regarding the homeownership
23 program that is submitted separately pursuant to the pre-
24 ceding sentence, the Secretary shall approve or disapprove

1 such portion not later than 60 days after the submission
2 of such portion.

3 (b) PARTICIPATING UNITS.—A program under this
4 section may cover any existing public housing dwelling
5 units or projects, and may include other dwelling units and
6 housing owned, operated, or assisted, or otherwise ac-
7 quired for use under such program, by the public housing
8 agency.

9 (c) ELIGIBLE PURCHASERS.—

10 (1) LOW-INCOME REQUIREMENT.—Only low-in-
11 come families assisted by a public housing agency,
12 other low-income families, and entities formed to fa-
13 cilitate such sales by purchasing units for resale to
14 low-income families shall be eligible to purchase
15 housing under a homeownership program under this
16 section.

17 (2) OTHER REQUIREMENTS.—A public housing
18 agency may establish other requirements or limita-
19 tions for families to purchase housing under a home-
20 ownership program under this section, including re-
21 quirements or limitations regarding employment or
22 participation in employment counseling or training
23 activities, criminal activity, participation in home-
24 ownership counseling programs, evidence of regular
25 income, and other requirements. In the case of pur-

1 chase by an entity for resale to low-income families,
2 the entity shall sell the units to low-income families
3 within 5 years from the date of its acquisition of the
4 units. The entity shall use any net proceeds from the
5 resale and from managing the units, as determined
6 in accordance with guidelines of the Secretary, for
7 housing purposes, such as funding resident organiza-
8 tions and reserves for capital replacements.

9 (d) FINANCING AND ASSISTANCE.—A homeownership
10 program under this section may provide financing for ac-
11 quisition of housing by families purchasing under the pro-
12 gram or by the public housing agency for sale under this
13 program in any manner considered appropriate by the
14 agency (including sale to a resident management corpora-
15 tion).

16 (e) DOWNPAYMENT REQUIREMENT.—

17 (1) IN GENERAL.—Each family purchasing
18 housing under a homeownership program under this
19 section shall be required to provide from its own re-
20 sources a downpayment in connection with any loan
21 for acquisition of the housing, in an amount deter-
22 mined by the public housing agency. Except as pro-
23 vided in paragraph (2), the agency shall permit the
24 family to use grant amounts, gifts from relatives,
25 contributions from private sources, and similar

1 amounts as downpayment amounts in such pur-
2 chase.

3 (2) DIRECT FAMILY CONTRIBUTION.—In pur-
4 chasing housing pursuant to this section, each fam-
5 ily shall contribute an amount of the downpayment,
6 from resources of the family other than grants, gifts,
7 contributions, or other similar amounts referred to
8 in paragraph (1), that is not less than 1 percent of
9 the purchase price.

10 (f) OWNERSHIP INTERESTS.—A homeownership pro-
11 gram under this section may provide for sale to the pur-
12 chasing family of any ownership interest that the public
13 housing agency considers appropriate under the program,
14 including ownership in fee simple, a condominium interest,
15 an interest in a limited dividend cooperative, a shared ap-
16 preciation interest with a public housing agency providing
17 financing.

18 (g) RESALE.—

19 (1) AUTHORITY AND LIMITATION.—A home-
20 ownership program under this section shall permit
21 the resale of a dwelling unit purchased under the
22 program by an eligible family, but shall provide such
23 limitations on resale as the agency considers appro-
24 priate (whether the family purchases directly from

1 the agency or from another entity) for the agency to
2 recapture—

3 (A) from any economic gain derived from
4 any such resale occurring during the 5-year pe-
5 riod beginning upon purchase of the dwelling
6 unit by the eligible family, a portion of the
7 amount of any financial assistance provided
8 under the program by the agency to the eligible
9 family; and

10 (B) after the expiration of such 5-year pe-
11 riod, only such amounts as are equivalent to the
12 assistance provided under this section by the
13 agency to the purchaser.

14 (2) CONSIDERATIONS.—The limitations referred
15 to in paragraph (1) may provide for consideration of
16 the aggregate amount of assistance provided under
17 the program to the family, the contribution to equity
18 provided by the purchasing eligible family, the period
19 of time elapsed between purchase under the home-
20 ownership program and resale, the reason for resale,
21 any improvements to the property made by the eligi-
22 ble family, any appreciation in the value of the prop-
23 erty, and any other factors that the agency considers
24 appropriate.

1 (h) SALE OF CERTAIN SCATTERED-SITE HOUSING.—

2 A public housing agency that the Secretary has deter-
 3 mined to be a high-performing agency may use the pro-
 4 ceeds from the disposition of scattered-site public housing
 5 under a homeownership program under this section to
 6 purchase replacement scattered-site dwelling units, to the
 7 extent such use is provided for in the local housing man-
 8 agement plan for the agency approved under section 1107.
 9 Any such replacement dwelling units shall be considered
 10 public housing for purposes of this division.

11 (i) INAPPLICABILITY OF DISPOSITION REQUIRE-
 12 MENTS.—The provisions of section 1261 shall not apply
 13 to disposition of public housing dwelling units under a
 14 homeownership program under this section, except that
 15 any dwelling units sold under such a program shall be
 16 treated as public housing dwelling units for purposes of
 17 subsections (e) and (f) of section 1261.

18 **Subtitle E—Disposition, Demoli-**
 19 **tion, and Revitalization of De-**
 20 **velopments**

21 **SEC. 1261. REQUIREMENTS FOR DEMOLITION AND DISPOS-**
 22 **ITION OF DEVELOPMENTS.**

23 (a) AUTHORITY AND FLEXIBILITY.—A public hous-
 24 ing agency may demolish, dispose of, or demolish and dis-

pose of nonviable or nonmarketable public housing developments of the agency in accordance with this section.

(b) LOCAL HOUSING MANAGEMENT PLAN REQUIREMENT.—A public housing agency may take any action to demolish or dispose of a public housing development (or a portion of a development) only if such demolition or disposition complies with the provisions of this section and is in accordance with the local housing management plan for the agency. Notwithstanding section 1107, the Secretary may approve a local housing management plan without approving the portion of the plan covering demolition or disposition pursuant to this section.

(c) PURPOSE OF DEMOLITION OR DISPOSITION.—A public housing agency may demolish or dispose of a public housing development (or portion of a development) only if the agency provides sufficient evidence to the Secretary that—

(1) the development (or portion thereof) is severely distressed or obsolete;

(2) the development (or portion thereof) is in a location making it unsuitable for housing purposes;

(3) the development (or portion thereof) has design or construction deficiencies that make cost-effective rehabilitation infeasible;

1 (4) assuming that reasonable rehabilitation and
2 management intervention for the development has
3 been completed and paid for, the anticipated revenue
4 that would be derived from charging market-based
5 rents for units in the development (or portion there-
6 of) would not cover the anticipated operating costs
7 and replacement reserves of the development (or
8 portion) at full occupancy and the development (or
9 portion) would constitute a substantial burden on
10 the resources of the public housing agency;

11 (5) retention of the development (or portion
12 thereof) is not in the best interests of the residents
13 of the public housing agency because—

14 (A) developmental changes in the area sur-
15 rounding the development adversely affect the
16 health or safety of the residents or the feasible
17 operation of the development by the public
18 housing agency;

19 (B) demolition or disposition will allow the
20 acquisition, development, or rehabilitation of
21 other properties which will be more efficiently
22 or effectively operated as low-income housing;
23 or

24 (C) other factors exist that the agency de-
25 termines are consistent with the best interests

1 of the residents and the agency and not incon-
2 sistent with other provisions of this division;

3 (6) in the case only of demolition or disposition
4 of a portion of a development, the demolition or dis-
5 position will help to ensure the remaining useful life
6 of the remainder of the development; or

7 (7) in the case only of property other than
8 dwelling units—

9 (A) the property is excess to the needs of
10 a development; or

11 (B) the demolition or disposition is inci-
12 dental to, or does not interfere with, continued
13 operation of a development.

14 The evidence required under this subsection shall include,
15 as a condition of demolishing or disposing of a public
16 housing development (or portion of a development) esti-
17 mated to have a value of \$100,000 or more, a statement
18 of the market value of the development (or portion), which
19 has been determined by a party not having any interest
20 in the housing or the public housing agency and pursuant
21 to not less than 2 professional, independent appraisals of
22 the development (or portion).

23 (d) CONSULTATION.—A public housing agency may
24 demolish or dispose of a public housing development (or

1 portion of a development) only if the agency notifies and
2 confers regarding the demolition or disposition with—

3 (1) the residents of the development (or por-
4 tion); and

5 (2) appropriate local government officials.

6 (e) COUNSELING.—A public housing agency may de-
7 molish or dispose of a public housing development (or a
8 portion of a development) only if the agency provides any
9 necessary counseling for families displaced by such action
10 to facilitate relocation.

11 (f) USE OF PROCEEDS.—Any net proceeds from the
12 disposition of a public housing development (or portion of
13 a development) shall be used for—

14 (1) housing assistance for low-income families
15 that is consistent with the low-income housing needs
16 of the community, through acquisition, development,
17 or rehabilitation of, or homeownership programs for,
18 other low-income housing or the provision of choice-
19 based assistance under title XIII for such families;

20 (2) supportive services relating to job training
21 or child care for residents of a development or devel-
22 opments; or

23 (3) leveraging amounts for securing commercial
24 enterprises, on-site in public housing developments

1 of the public housing agency, appropriate to serve
2 the needs of the residents.

3 (g) RELOCATION.—A public housing agency that de-
4 molishes or disposes of a public housing development (or
5 portion of a development thereof) shall ensure that—

6 (1) each family that is a resident of the devel-
7 opment (or portion) that is demolished or disposed
8 of is relocated to other safe, clean, healthy, and af-
9 fordable housing, which is, to the maximum extent
10 practicable, housing of the family's choice, including
11 choice-based assistance under title XIII (provided
12 that with respect to choice-based assistance, the pre-
13 ceding requirement shall be fulfilled only upon the
14 relocation of the such family into such housing);

15 (2) the public housing agency does not take any
16 action to dispose of any unit until any resident to
17 be displaced is relocated in accordance with para-
18 graph (1); and

19 (3) each resident family to be displaced is paid
20 relocation expenses, and the rent to be paid initially
21 by the resident following relocation does not exceed
22 the amount permitted under section 1225(a).

23 (h) RIGHT OF FIRST REFUSAL FOR RESIDENT ORGA-
24 NIZATIONS AND RESIDENT MANAGEMENT CORPORA-
25 TIONS.—

1 (1) IN GENERAL.—A public housing agency
2 may not dispose of a public housing development (or
3 portion of a development) unless the agency has, be-
4 fore such disposition, offered to sell the property, as
5 provided in this subsection, to each resident organi-
6 zation and resident management corporation operat-
7 ing at the development for continued use as low-in-
8 come housing, and no such organization or corpora-
9 tion purchases the property pursuant to such offer.
10 A resident organization may act, for purposes of this
11 subsection, through an entity formed to facilitate
12 homeownership under subtitle D.

13 (2) TIMING.—Disposition of a development (or
14 portion thereof) under this section may not take
15 place—

16 (A) before the expiration of the period dur-
17 ing which any such organization or corporation
18 may notify the agency of interest in purchasing
19 the property, which shall be the 30-day period
20 beginning on the date that the agency first pro-
21 vides notice of the proposed disposition of the
22 property to such resident organizations and
23 resident management corporations;

24 (B) if an organization or corporation sub-
25 mits notice of interest in accordance with sub-

1 paragraph (A), before the expiration of the pe-
2 riod during which such organization or corpora-
3 tion may obtain a commitment for financing to
4 purchase the property, which shall be the 60-
5 day period beginning upon the submission to
6 the agency of the notice of interest; or

7 (C) if, during the period under subpara-
8 graph (B), an organization or corporation ob-
9 tains such financing commitment and makes a
10 bona fide offer to the agency to purchase the
11 property for a price equal to or exceeding the
12 applicable offer price under paragraph (3).

13 The agency shall sell the property pursuant to any
14 purchase offer described in subparagraph (C).

15 (3) TERMS OF OFFER.—An offer by a public
16 housing agency to sell a property in accordance with
17 this subsection shall involve a purchase price that re-
18 flects the market value of the property, the reason
19 for the sale, the impact of the sale on the surround-
20 ing community, and any other factors that the agen-
21 cy considers appropriate.

22 (i) INFORMATION FOR LOCAL HOUSING MANAGE-
23 MENT PLAN.—A public housing agency may demolish or
24 dispose of a public housing development (or portion there-

1 of) only if it includes in the applicable local housing man-
2 agement plan information sufficient to describe—

3 (1) the housing to be demolished or disposed of;

4 (2) the purpose of the demolition or disposition
5 under subsection (c) and why the demolition or dis-
6 position complies with the requirements under sub-
7 section (c), and includes evidence of the market
8 value of the development (or portion) required under
9 subsection (c);

10 (3) how the consultations required under sub-
11 section (d) will be made;

12 (4) how the net proceeds of the disposition will
13 be used in accordance with subsection (f);

14 (5) how the agency will relocate residents, if
15 necessary, as required under subsection (g); and

16 (6) that the agency has offered the property for
17 acquisition by resident organizations and resident
18 management corporations in accordance with sub-
19 section (h).

20 (j) SITE AND NEIGHBORHOOD STANDARDS EXEMP-
21 TION.—Notwithstanding any other provision of law, a
22 public housing agency may provide for development of
23 public housing dwelling units on the same site or in the
24 same neighborhood as any dwelling units demolished, pur-

1 suant to a plan under this section, but only if such devel-
2 opment provides for significantly fewer dwelling units.

3 (k) TREATMENT OF REPLACEMENT UNITS.—

4 (1) PROVISION OF OTHER HOUSING ASSIST-
5 ANCE.—In connection with any demolition or dis-
6 position of public housing under this section, a pub-
7 lic housing agency may provide for other housing as-
8 sistance for low-income families that is consistent
9 with the low-income housing needs of the commu-
10 nity, including—

11 (A) the provision of choice-based assistance
12 under title XIII; and

13 (B) the development, acquisition, or lease
14 by the agency of dwelling units, which dwelling
15 units shall—

16 (i) be eligible to receive assistance
17 with grant amounts provided under this
18 title; and

19 (ii) be made available for occupancy,
20 operated, and managed in the manner re-
21 quired for public housing, and subject to
22 the other requirements applicable to public
23 housing dwelling units.

24 (2) TREATMENT OF INDIVIDUALS.—For pur-
25 poses of this subsection, an individual between the

1 ages of 18 and 21, inclusive, shall, at the discretion
2 of the individual, be considered a family.

3 (l) USE OF NEW DWELLING UNITS.—A public hous-
4 ing agency demolishing or disposing of a public housing
5 development (or portion thereof) under this section shall
6 seek, where practical, to ensure that, if housing units are
7 provided on any property that was previously used for the
8 public housing demolished or disposed of, not less than
9 25 percent of such dwelling units shall be dwelling units
10 reserved for occupancy during the remaining useful life of
11 the housing by low-income families.

12 (m) PERMISSIBLE RELOCATION WITHOUT PLAN.—
13 If a public housing agency determines that because of an
14 emergency situation public housing dwelling units are se-
15 verely uninhabitable, the public housing agency may relo-
16 cate residents of such dwelling units before the submission
17 of a local housing management plan providing for demoli-
18 tion or disposition of such units.

19 (n) CONSOLIDATION OF OCCUPANCY WITHIN OR
20 AMONG BUILDINGS.—Nothing in this section may be con-
21 strued to prevent a public housing agency from consolidat-
22 ing occupancy within or among buildings of a public hous-
23 ing development, or among developments, or with other
24 housing for the purpose of improving living conditions of,
25 or providing more efficient services to, residents.

1 (o) DE MINIMIS EXCEPTION TO DEMOLITION RE-
2 QUIREMENTS.—Notwithstanding any other provision of
3 this section, in any 5-year period a public housing agency
4 may demolish not more than the lesser of 5 dwelling units
5 or 5 percent of the total dwelling units owned and oper-
6 ated by the public housing agency, without providing for
7 such demolition in a local housing management plan, but
8 only if the space occupied by the demolished unit is used
9 for meeting the service or other needs of public housing
10 residents or the demolished unit was beyond repair.

11 **SEC. 1262. DEMOLITION, SITE REVITALIZATION, REPLACE-**
12 **MENT HOUSING, AND CHOICE-BASED ASSIST-**
13 **ANCE GRANTS FOR DEVELOPMENTS.**

14 (a) PURPOSES.—The purpose of this section is to
15 provide assistance to public housing agencies for the pur-
16 poses of—

17 (1) reducing the density and improving the liv-
18 ing environment for public housing residents of se-
19 verely distressed public housing developments
20 through the demolition of obsolete public housing de-
21 velopments (or portions thereof);

22 (2) revitalizing sites (including remaining public
23 housing dwelling units) on which such public hous-
24 ing developments are located and contributing to the
25 improvement of the surrounding neighborhood;

1 (3) providing housing that will avoid or de-
2 crease the concentration of very low-income families;
3 and

4 (4) providing choice-based assistance in accord-
5 ance with title XIII for the purpose of providing re-
6 placement housing and assisting residents to be dis-
7 placed by the demolition.

8 (b) GRANT AUTHORITY.—The Secretary may make
9 grants available to public housing agencies as provided in
10 this section.

11 (c) CONTRIBUTION REQUIREMENT.—The Secretary
12 may not make any grant under this section to any appli-
13 cant unless the applicant certifies to the Secretary that
14 the applicant will supplement the amount of assistance
15 provided under this section with an amount of funds from
16 sources other than this section equal to not less than 5
17 percent of the amount provided under this section, includ-
18 ing amounts from other Federal sources, any State or
19 local government sources, any private contributions, and
20 the value of any in-kind services or administrative costs
21 provided.

22 (d) ELIGIBLE ACTIVITIES.—Grants under this sec-
23 tion may be used for activities to carry out revitalization
24 programs for severely distressed public housing, includ-
25 ing—

- 1 (1) architectural and engineering work, includ-
2 ing the redesign, reconstruction, or redevelopment of
3 a severely distressed public housing development, in-
4 cluding the site on which the development is located;
- 5 (2) the demolition, sale, or lease of the site, in
6 whole or in part;
- 7 (3) covering the administrative costs of the ap-
8 plicant, which may not exceed such portion of the
9 assistance provided under this section as the Sec-
10 retary may prescribe;
- 11 (4) payment of reasonable legal fees;
- 12 (5) providing reasonable moving expenses for
13 residents displaced as a result of the revitalization of
14 the development;
- 15 (6) economic development activities that pro-
16 mote the economic self-sufficiency of residents under
17 the revitalization program;
- 18 (7) necessary management improvements;
- 19 (8) leveraging other resources, including addi-
20 tional housing resources, retail supportive services,
21 jobs, and other economic development uses on or
22 near the development that will benefit future resi-
23 dents of the site;
- 24 (9) replacement housing and housing assistance
25 under title XIII;

1 (10) transitional security activities; and

2 (11) necessary supportive services, except that
3 not more than 10 percent of the amount of any
4 grant may be used for activities under this para-
5 graph.

6 (e) APPLICATION AND SELECTION.—

7 (1) APPLICATION.—An application for a grant
8 under this section shall contain such information
9 and shall be submitted at such time and in accord-
10 ance with such procedures, as the Secretary shall
11 prescribe.

12 (2) SELECTION CRITERIA.—The Secretary shall
13 establish selection criteria for the award of grants
14 under this section, which shall include—

15 (A) the relationship of the grant to the
16 local housing management plan for the public
17 housing agency and how the grant will result in
18 a revitalized site that will enhance the neighbor-
19 hood in which the development is located;

20 (B) the capability and record of the appli-
21 cant public housing agency, or any alternative
22 management agency for the agency, for manag-
23 ing large-scale redevelopment or modernization
24 projects, meeting construction timetables, and
25 obligating amounts in a timely manner;

1 (C) the extent to which the public housing
2 agency could undertake such activities without
3 a grant under this section;

4 (D) the extent of involvement of residents,
5 State and local governments, private service
6 providers, financing entities, and developers, in
7 the development of a revitalization program for
8 the development; and

9 (E) the amount of funds and other re-
10 sources to be leveraged by the grant.

11 The Secretary shall give preference in selection to
12 any public housing agency that has been awarded a
13 planning grant under section 24(c) of the United
14 States Housing Act of 1937 (as in effect before the
15 effective date of the repeal under section 1601(b) of
16 this Act).

17 (f) COST LIMITS.—Subject to the provisions of this
18 section, the Secretary—

19 (1) shall establish cost limits on eligible activi-
20 ties under this section sufficient to provide for effec-
21 tive revitalization programs; and

22 (2) may establish other cost limits on eligible
23 activities under this section.

24 (g) DEMOLITION AND REPLACEMENT.—Any severely
25 distressed public housing demolished or disposed of pursu-

1 ant to a revitalization plan and any public housing pro-
2 duced in lieu of such severely distressed housing, shall be
3 subject to the provisions of section 1261.

4 (h) ADMINISTRATION BY OTHER ENTITIES.—The
5 Secretary may require a grantee under this section to
6 make arrangements satisfactory to the Secretary for use
7 of an entity other than the public housing agency to carry
8 out activities assisted under the revitalization plan, if the
9 Secretary determines that such action will help to effec-
10 tuate the purposes of this section.

11 (i) WITHDRAWAL OF FUNDING.—If a grantee under
12 this section does not proceed expeditiously, in the deter-
13 mination of the Secretary, the Secretary shall withdraw
14 any grant amounts under this section that have not been
15 obligated by the public housing agency. The Secretary
16 shall redistribute any withdrawn amounts to one or more
17 public housing agencies eligible for assistance under this
18 section or to one or more other entities capable of proceed-
19 ing expeditiously in the same locality in carrying out the
20 revitalization plan of the original grantee.

21 (j) DEFINITIONS.—For purposes of this section, the
22 following definitions shall apply:

23 (1) APPLICANT.—The term “applicant”
24 means—

1 (A) any public housing agency that is not
2 designated as troubled pursuant to section
3 1533(a);

4 (B) any public housing agency or private
5 housing management agent selected, or receiver
6 appointed pursuant, to section 1545; and

7 (C) any public housing agency that is des-
8 ignated as troubled pursuant to section 1533(a)
9 that—

10 (i) is so designated principally for rea-
11 sons that will not affect the capacity of the
12 agency to carry out a revitalization pro-
13 gram;

14 (ii) is making substantial progress to-
15 ward eliminating the deficiencies of the
16 agency; or

17 (iii) is otherwise determined by the
18 Secretary to be capable of carrying out a
19 revitalization program.

20 (2) PRIVATE NONPROFIT CORPORATION.—The
21 term “private nonprofit organization” means any
22 private nonprofit organization (including a State or
23 locally chartered nonprofit organization) that—

24 (A) is incorporated under State or local
25 law;

1 (B) has no part of its net earnings inuring
2 to the benefit of any member, founder, contrib-
3 utor, or individual;

4 (C) complies with standards of financial
5 accountability acceptable to the Secretary; and

6 (D) has among its purposes significant ac-
7 tivities related to the provision of decent hous-
8 ing that is affordable to very low-income fami-
9 lies.

10 (3) SEVERELY DISTRESSED PUBLIC HOUS-
11 ING.—The term “severely distressed public housing”
12 means a public housing development (or building in
13 a development) that—

14 (A) requires major redesign, reconstruction
15 or redevelopment, or partial or total demolition,
16 to correct serious deficiencies in the original de-
17 sign (including inappropriately high population
18 density), deferred maintenance, physical dete-
19 rioration or obsolescence of major systems and
20 other deficiencies in the physical plant of the
21 development;

22 (B) is a significant contributing factor to
23 the physical decline of and disinvestment by
24 public and private entities in the surrounding
25 neighborhood;

1 (C)(i) is occupied predominantly by fami-
2 lies who are very low-income families with chil-
3 dren, are unemployed, and dependent on var-
4 ious forms of public assistance; and

5 (ii) has high rates of vandalism and crimi-
6 nal activity (including drug-related criminal ac-
7 tivity) in comparison to other housing in the
8 area;

9 (D) cannot be revitalized through assist-
10 ance under other programs, such as the public
11 housing block grant program under this title, or
12 the programs under sections 9 and 14 of the
13 United States Housing Act of 1937 (as in effect
14 before the effective date of the repeal under sec-
15 tion 1601(b) of this Act), because of cost con-
16 straints and inadequacy of available amounts;
17 and

18 (E) in the case of individual buildings, is,
19 in the Secretary's determination, sufficiently
20 separable from the remainder of the develop-
21 ment of which the building is part to make use
22 of the building feasible for purposes of this sec-
23 tion.

24 (4) SUPPORTIVE SERVICES.—The term “sup-
25 portive services” includes all activities that will pro-

1 mote upward mobility, self-sufficiency, and improved
2 quality of life for the residents of the public housing
3 development involved, including literacy training, job
4 training, day care, and economic development activi-
5 ties.

6 (k) ANNUAL REPORT.—The Secretary shall submit
7 to the Congress an annual report setting forth—

8 (1) the number, type, and cost of public hous-
9 ing units revitalized pursuant to this section;

10 (2) the status of developments identified as se-
11 verely distressed public housing;

12 (3) the amount and type of financial assistance
13 provided under and in conjunction with this section;
14 and

15 (4) the recommendations of the Secretary for
16 statutory and regulatory improvements to the pro-
17 gram established by this section.

18 (l) FUNDING.—

19 (1) AUTHORIZATION OF APPROPRIATIONS.—

20 There are authorized to be appropriated for grants
21 under this section \$500,000,000 for each of fiscal
22 years 1998, 1999, and 2000.

23 (2) TECHNICAL ASSISTANCE.—Of the amount
24 appropriated pursuant to paragraph (1) for any fis-
25 cal year, the Secretary may use not more than 0.50

1 percent for technical assistance. Such assistance
2 may be provided directly or indirectly by grants, con-
3 tracts, or cooperative agreements, and shall include
4 training, and the cost of necessary travel for partici-
5 pants in such training, by or to officials of the De-
6 partment of Housing and Urban Development, of
7 public housing agencies, and of residents.

8 (m) SUNSET.—No assistance may be provided under
9 this section after September 30, 2000.

10 (n) TREATMENT OF PREVIOUS SELECTIONS.—A
11 public housing agency that has been selected to receive
12 amounts under the notice of funding availability for fiscal
13 year 1996 amounts for the HOPE VI program (provided
14 under the heading “PUBLIC HOUSING DEMOLITION, SITE
15 REVITALIZATION, AND REPLACEMENT HOUSING GRANTS”
16 in title II of the Departments of Veterans Affairs and
17 Housing and Urban Development, and Independent Agen-
18 cies Appropriations Act, 1996 (42 U.S.C. 1437l note) (en-
19 acted as section 101(e) of Omnibus Consolidated Rescis-
20 sions and Appropriations Act of 1996 (Public Law 104–
21 134; 110 Stat. 1321–269)) may apply to the Secretary
22 of Housing and Urban Development for a waiver of the
23 total development cost rehabilitation requirement other-
24 wise applicable under such program, and the Secretary
25 may waive such requirement, but only: (1) to the extent

1 that a designated site for use of such amounts does not
2 have dwelling units that are considered to be obsolete
3 under Department of Housing and Urban Development
4 regulations in effect upon the date of the enactment of
5 this Act; and (2) if the Secretary determines that the pub-
6 lic housing agency will continue to comply with the pur-
7 poses of the program notwithstanding such waiver.

8 **SEC. 1263. VOLUNTARY VOUCHER SYSTEM FOR PUBLIC**
9 **HOUSING.**

10 (a) IN GENERAL.—A public housing agency may con-
11 vert any public housing development (or portion thereof)
12 owned and operated by the agency to a system of choice-
13 based rental housing assistance under title XIII, in ac-
14 cordance with this section.

15 (b) ASSESSMENT AND PLAN REQUIREMENT.—In
16 converting under this section to a choice-based rental
17 housing assistance system, the public housing agency shall
18 develop a conversion assessment and plan under this sub-
19 section, in consultation with the appropriate public offi-
20 cials and with significant participation by the residents of
21 the development (or portion thereof), which assessment
22 and plan shall—

23 (1) be consistent with and part of the local
24 housing management plan for the agency;

1 (2) describe the conversion and future use or
2 disposition of the public housing development, in-
3 cluding an impact analysis on the affected commu-
4 nity;

5 (3) include a cost analysis that demonstrates
6 whether or not the cost (both on a net present value
7 basis and in terms of new budget authority require-
8 ments) of providing choice-based rental housing as-
9 sistance under title XIII for the same families in
10 substantially similar dwellings over the same period
11 of time is less expensive than continuing public
12 housing assistance in the public housing develop-
13 ment proposed for conversion for the remaining use-
14 ful life of the development;

15 (4) identify the actions, if any, that the public
16 housing agency will take with regard to converting
17 any public housing development or developments (or
18 portions thereof) of the agency to a system of
19 choice-based rental housing assistance under title
20 XIII;

21 (5) require the public housing agency to—

22 (A) notify the families residing in the pub-
23 lic housing development subject to the conver-
24 sion, in accordance with any guidelines issued

1 by the Secretary governing such notifications,
2 that—

3 (i) the development will be removed
4 from the inventory of the public housing
5 agency; and

6 (ii) the families displaced by such ac-
7 tion will receive choice-based housing as-
8 sistance;

9 (B) provide any necessary counseling for
10 families displaced by such action to facilitate re-
11 location; and

12 (C) provide any reasonable relocation ex-
13 penses for families displaced by such action;
14 and

15 (6) ensure that each family that is a resident
16 of the development is relocated to other safe, clean,
17 and healthy affordable housing, which is, to the
18 maximum extent practicable, housing of the family's
19 choice, including choice-based assistance under title
20 XIII (provided that with respect to choice-based as-
21 sistance, the preceding requirement shall be fulfilled
22 only upon the relocation of such family into such
23 housing).

24 (c) STREAMLINED ASSESSMENT AND PLAN.—At the
25 discretion of the Secretary or at the request of a public

1 housing agency, the Secretary may waive any or all of the
2 requirements of subsection (b) or otherwise require a
3 streamlined assessment with respect to any public housing
4 development or class of public housing developments.

5 (d) IMPLEMENTATION OF CONVERSION PLAN.—

6 (1) IN GENERAL.—A public housing agency
7 may implement a conversion plan only if the conver-
8 sion assessment under this section demonstrates
9 that the conversion—

10 (A) will not be more expensive than con-
11 tinuing to operate the public housing develop-
12 ment (or portion thereof) as public housing;
13 and

14 (B) will principally benefit the residents of
15 the public housing development (or portion
16 thereof) to be converted, the public housing
17 agency, and the community.

18 (2) DISAPPROVAL.—The Secretary shall dis-
19 approve a conversion plan only if the plan is plainly
20 inconsistent with the conversion assessment under
21 subsection (b) or there is reliable information and
22 data available to the Secretary that contradicts that
23 conversion assessment.

24 (e) OTHER REQUIREMENTS.—To the extent approved
25 by the Secretary, the funds used by the public housing

1 agency to provide choice-based rental housing assistance
2 under title XIII shall be added to the housing assistance
3 payment contract administered by the public housing
4 agency or any entity administering the contract on behalf
5 of the public housing agency.

6 (f) SAVINGS PROVISION.—This section does not af-
7 fect any contract or other agreement entered into under
8 section 22 of the United States Housing Act of 1937 (as
9 such section existed before the effective date of the repeal
10 under section 1601(b) of this Act).

11 **Subtitle F—Mixed-Finance Public** 12 **Housing**

13 **SEC. 1271. AUTHORITY.**

14 Notwithstanding sections 1203 and 1262, the Sec-
15 retary may, upon such terms and conditions as the Sec-
16 retary may prescribe, authorize a public housing agency
17 to provide for the use of grant amounts allocated and pro-
18 vided from the capital fund or from a grant under section
19 1262, to produce mixed- finance housing developments, or
20 replace or revitalize existing public housing dwelling units
21 with mixed-finance housing developments, but only if the
22 agency submits to the Secretary a plan for such housing
23 that is approved pursuant to section 1273 by the Sec-
24 retary.

1 **SEC. 1272. MIXED-FINANCE HOUSING DEVELOPMENTS.**

2 (a) IN GENERAL.—For purposes of this subtitle, the
3 term “mixed-finance housing” means low-income housing
4 or mixed-income housing (as described in section
5 1221(c)(2)) for which the financing for production or re-
6 talization is provided, in part, from entities other than the
7 public housing agency.

8 (b) PRODUCTION.—A mixed-finance housing develop-
9 ment shall be produced or revitalized, and owned—

10 (1) by a public housing agency or by an entity
11 affiliated with a public housing agency;

12 (2) by a partnership, a limited liability com-
13 pany, or other entity in which the public housing
14 agency (or an entity affiliated with a public housing
15 agency) is a general partner, is a managing member,
16 or otherwise participates in the activities of the en-
17 tity;

18 (3) by any entity that grants to the public
19 housing agency the option to purchase the public
20 housing project during the 20-year period beginning
21 on the date of initial occupancy of the public hous-
22 ing project in accordance with section 42(l)(7) of the
23 Internal Revenue Code of 1986; or

24 (4) in accordance with such other terms and
25 conditions as the Secretary may prescribe by regula-
26 tion.

1 This subsection may not be construed to require produc-
2 tion or revitalization, and ownership, by the same entity.

3 **SEC. 1273. MIXED-FINANCE HOUSING PLAN.**

4 The Secretary may approve a plan for production or
5 revitalization of mixed-finance housing under this subtitle
6 only if the Secretary determines that—

7 (1) the public housing agency has the ability, or
8 has provided for an entity under section 1272(b)
9 that has the ability, to use the amounts provided for
10 use under the plan for such housing, effectively, ei-
11 ther directly or through contract management;

12 (2) the plan provides permanent financing com-
13 mitments from a sufficient number of sources other
14 than the public housing agency, which may include
15 banks and other conventional lenders, States, units
16 of general local government, State housing finance
17 agencies, secondary market entities, and other finan-
18 cial institutions;

19 (3) the plan provides for use of amounts pro-
20 vided under section 1271 by the public housing
21 agency for financing the mixed-income housing in
22 the form of grants, loans, advances, or other debt or
23 equity investments, including collateral or credit en-
24 hancement of bonds issued by the agency or any

1 State or local governmental agency for production or
2 revitalization of the development; and

3 (4) the plan complies with any other criteria
4 that the Secretary may establish.

5 **SEC. 1274. RENT LEVELS FOR HOUSING FINANCED WITH**
6 **LOW-INCOME HOUSING TAX CREDIT.**

7 With respect to any dwelling unit in a mixed-finance
8 housing development that is a low-income dwelling unit
9 for which amounts from a block grant under this title are
10 used and that is assisted pursuant to the low-income hous-
11 ing tax credit under section 42 of the Internal Revenue
12 Code of 1986, the rents charged to the residents of the
13 unit shall be determined in accordance with this title, but
14 shall not in any case exceed the amounts allowable under
15 such section 42.

16 **SEC. 1275. CARRY-OVER OF ASSISTANCE FOR REPLACED**
17 **HOUSING.**

18 In the case of a mixed-finance housing development
19 that is replacement housing for public housing demolished
20 or disposed of, or is the result of the revitalization of exist-
21 ing public housing, the share of assistance received from
22 the capital fund and the operating fund by the public
23 housing agency that owned or operated the housing demol-
24 ished, disposed of, or revitalized shall not be reduced be-
25 cause of such demolition, disposition, or revitalization

1 after the commencement of such demolition, disposition,
2 or revitalization, unless—

3 (1) upon the expiration of the 18-month period
4 beginning upon the approval of the plan under sec-
5 tion 1273 for the mixed-finance housing develop-
6 ment, the agency does not have binding commit-
7 ments for production or revitalization, or a construc-
8 tion contract, for such development;

9 (2) upon the expiration of the 4-year period be-
10 ginning upon the approval of the plan, the mixed-fi-
11 nance housing development is not substantially
12 ready for occupancy and is placed under the block
13 grant contract for the agency under section 1201; or

14 (3) the number of dwelling units in the mixed-
15 finance housing development that are made available
16 for occupancy only by low-income families is sub-
17 stantially less than the number of such dwelling
18 units in the public housing demolished, disposed of,
19 or revitalized.

20 The Secretary may extend the period under paragraph (1)
21 or (2) for a public housing agency if the Secretary deter-
22 mines that circumstances beyond the control of the agency
23 caused the agency to fail to meet the deadline under such
24 paragraph.

1 **Subtitle G—General Provisions**

2 **SEC. 1281. PAYMENT OF NON-FEDERAL SHARE.**

3 Rental or use-value of buildings or facilities paid for,
4 in whole or in part, from production, modernization, or
5 operation costs financed under this title may be used as
6 the non-Federal share required in connection with activi-
7 ties undertaken under Federal grant-in-aid programs
8 which provide social, educational, employment, and other
9 services to the residents in a project assisted under this
10 title.

11 **SEC. 1282. AUTHORIZATION OF APPROPRIATIONS FOR** 12 **BLOCK GRANTS.**

13 There are authorized to be appropriated for grants
14 under this title, the following amounts:

15 (1) CAPITAL FUND.—For the allocations from
16 the capital fund for grants, \$2,500,000,000 for each
17 of fiscal years 1998, 1999, 2000, 2001, and 2002.

18 (2) OPERATING FUND.—For the allocations
19 from the operating fund for grants, \$2,900,000,000
20 for each of fiscal years 1998, 1999, 2000, 2001, and
21 2002.

22 **SEC. 1283. FUNDING FOR OPERATION SAFE HOME.**

23 Of any amounts made available for fiscal years 1998
24 and 1999 for carrying out the Community Partnerships
25 Against Crime Act of 1997 (as so designated pursuant to

1 section 1624(a) of this Act), not more than \$20,000,000
2 shall be available in each such fiscal year, for use under
3 the Operation Safe Home program administered by the
4 Office of the Inspector General of the Department of
5 Housing and Urban Development, for law enforcement ef-
6 forts to combat violent crime on or near the premises of
7 public and federally assisted housing.

8 **SEC. 1284. FUNDING FOR RELOCATION OF VICTIMS OF DO-**
9 **MESTIC VIOLENCE.**

10 Of any amounts made available for fiscal years 1998,
11 1999, 2000, 2001, and 2002 for choice-based housing as-
12 sistance under title XIII of this Act, not more than
13 \$700,000 shall be available in each such fiscal year for
14 relocating residents of public housing (including providing
15 assistance for costs of relocation and housing assistance
16 under title XIII of this Act) who are residing in public
17 housing, who have been subject to domestic violence, and
18 for whom provision of assistance is likely to reduce or
19 eliminate the threat of subsequent violence to the members
20 of the family. The Secretary shall establish procedures for
21 eligibility and administration of assistance under this sec-
22 tion.

1 **TITLE XIII—CHOICE-BASED**
2 **RENTAL HOUSING AND**
3 **HOMEOWNERSHIP ASSIST-**
4 **ANCE FOR LOW-INCOME FAM-**
5 **ILIES**

6 **Subtitle A—Allocation**

7 **SEC. 1301. AUTHORITY TO PROVIDE HOUSING ASSISTANCE**
8 **AMOUNTS.**

9 To the extent that amounts to carry out this title are
10 made available, the Secretary may enter into contracts
11 with public housing agencies for each fiscal year to provide
12 housing assistance under this title.

13 **SEC. 1302. CONTRACTS WITH PHA'S.**

14 (a) **CONDITION OF ASSISTANCE.**—The Secretary may
15 provide amounts under this title to a public housing agen-
16 cy for a fiscal year only if the Secretary has entered into
17 a contract under this section with the public housing agen-
18 cy, under which the Secretary shall provide such agency
19 with amounts (in the amount of the allocation for the
20 agency determined pursuant to section 1304) for housing
21 assistance under this title for low-income families.

22 (b) **USE FOR HOUSING ASSISTANCE.**—A contract
23 under this section shall require a public housing agency
24 to use amounts provided under this title to provide hous-
25 ing assistance in any manner authorized under this title.

1 (c) ANNUAL OBLIGATION OF AUTHORITY.—A con-
2 tract under this title shall provide amounts for housing
3 assistance for 1 fiscal year covered by the contract.

4 (d) ENFORCEMENT OF HOUSING QUALITY REQUIRE-
5 MENTS.—Each contract under this section shall require
6 the public housing agency administering assistance pro-
7 vided under the contract—

8 (1) to ensure compliance, under each housing
9 assistance payments contract entered into pursuant
10 to the contract under this section, with the provi-
11 sions of the housing assistance payments contract
12 included pursuant to section 1351(c)(4); and

13 (2) to establish procedures for assisted families
14 to notify the agency of any noncompliance with such
15 provisions.

16 **SEC. 1303. ELIGIBILITY OF PHA'S FOR ASSISTANCE**
17 **AMOUNTS.**

18 The Secretary may provide amounts available for
19 housing assistance under this title pursuant to the formula
20 established under section 1304(a) to a public housing
21 agency only if—

22 (1) the agency has submitted a local housing
23 management plan to the Secretary for such fiscal
24 year and applied to the Secretary for such assist-
25 ance;

1 (2) the plan has been determined to comply
2 with the requirements under section 1106 and the
3 Secretary has not notified the agency that the plan
4 fails to comply with such requirements;

5 (3) no member of the board of directors or
6 other governing body of the agency, or the executive
7 director, has been convicted of a felony; and

8 (4) the agency has not been disqualified for as-
9 sistance pursuant to title XV.

10 **SEC. 1304. ALLOCATION OF AMOUNTS.**

11 (a) FORMULA ALLOCATION.—

12 (1) IN GENERAL.—When amounts for assist-
13 ance under this title are first made available for res-
14 ervation, after reserving amounts in accordance with
15 subsections (b)(3) and (c), the Secretary shall allo-
16 cate such amounts, only among public housing agen-
17 cies meeting the requirements under this title to re-
18 ceive such assistance, on the basis of a formula that
19 is established in accordance with paragraph (2) and
20 based upon appropriate criteria to reflect the needs
21 of different States, areas, and communities, using
22 the most recent data available from the Bureau of
23 the Census of the Department of Commerce and the
24 comprehensive housing affordability strategy under
25 section 105 of the Cranston-Gonzalez National Af-

1 fordable Housing Act (or any consolidated plan in-
2 corporating such strategy) for the applicable juris-
3 diction. The Secretary may establish a minimum al-
4 location amount, in which case only the public hous-
5 ing agencies that, pursuant to the formula, are pro-
6 vided an amount equal to or greater than the mini-
7 mum allocation amount, shall receive an allocation.

8 (2) REGULATIONS.—The formula under this
9 subsection shall be established by regulation issued
10 by the Secretary. Notwithstanding sections 563(a)
11 and 565(a) of title 5, United States Code, any pro-
12 posed regulation containing such formula shall be
13 issued pursuant to a negotiated rulemaking proce-
14 dure under subchapter III of chapter 5 of such title
15 and the Secretary shall establish a negotiated rule-
16 making committee for development of any such pro-
17 posed regulations.

18 (b) ALLOCATION CONSIDERATIONS.—

19 (1) LIMITATION ON REALLOCATION FOR AN-
20 OTHER STATE.—Any amounts allocated for a State
21 or areas or communities within a State that are not
22 likely to be used within the fiscal year for which the
23 amounts are provided shall not be reallocated for use
24 in another State, unless the Secretary determines
25 that other areas or communities within the same

1 State (that are eligible for amounts under this title)
2 cannot use the amounts within the same fiscal year.

3 (2) EFFECT OF RECEIPT OF TENANT-BASED AS-
4 SISTANCE FOR DISABLED FAMILIES.—The Secretary
5 may not consider the receipt by a public housing
6 agency of assistance under section 811(b)(1) of the
7 Cranston-Gonzalez National Affordable Housing
8 Act, or the amount received, in approving amounts
9 under this title for the agency or in determining the
10 amount of such assistance to be provided to the
11 agency.

12 (3) EXEMPTION FROM FORMULA ALLOCA-
13 TION.—The formula allocation requirements of sub-
14 section (a) shall not apply to any assistance under
15 this title that is approved in appropriation Acts for
16 uses that the Secretary determines are incapable of
17 geographic allocation, including amendments of ex-
18 isting housing assistance payments contracts, re-
19 newal of such contracts, assistance to families that
20 would otherwise lose assistance due to the decision
21 of the project owner to prepay the project mortgage
22 or not to renew the housing assistance payments
23 contract, assistance to prevent displacement from
24 public or assisted housing or to provide replacement
25 housing in connection with the demolition or disposi-

1 tion of public housing, assistance for relocation from
2 public housing, assistance in connection with protec-
3 tion of crime witnesses, assistance for conversion
4 from leased housing contracts under section 23 of
5 the United States Housing Act of 1937 (as in effect
6 before the enactment of the Housing and Commu-
7 nity Development Act of 1974), and assistance in
8 support of the property disposition and portfolio
9 management functions of the Secretary.

10 (c) RECAPTURE OF AMOUNTS.—

11 (1) AUTHORITY.—In each fiscal year, from any
12 budget authority made available for assistance under
13 this title or section 8 of the United States Housing
14 Act of 1937 (as in effect before the effective date of
15 the repeal under section 1601(b) of this Act) that is
16 obligated to a public housing agency but remains un-
17 obligated by the agency upon the expiration of the
18 8-month period beginning upon the initial availabil-
19 ity of such amounts for obligation by the agency, the
20 Secretary may deobligate an amount, as determined
21 by the Secretary, not exceeding 50 percent of such
22 unobligated amount.

23 (2) USE.—The Secretary may reallocate and
24 transfer any amounts deobligated under paragraph
25 (1) only to public housing agencies in areas that the

1 Secretary determines have received less funding than
2 other areas, based on the relative needs of all areas.

3 **SEC. 1305. ADMINISTRATIVE FEES.**

4 (a) FEE FOR ONGOING COSTS OF ADMINISTRA-
5 TION.—

6 (1) IN GENERAL.—The Secretary shall establish
7 fees for the costs of administering the choice-based
8 housing assistance program under this title.

9 (2) FISCAL YEAR 1998.—

10 (A) CALCULATION.—For fiscal year 1998,
11 the fee for each month for which a dwelling
12 unit is covered by a contract for assistance
13 under this title shall be—

14 (i) in the case of a public housing
15 agency that, on an annual basis, is admin-
16 istering a program for not more than 600
17 dwelling units, 7.65 percent of the base
18 amount; and

19 (ii) in the case of an agency that, on
20 an annual basis, is administering a pro-
21 gram for more than 600 dwelling units—

22 (I) for the first 600 units, 7.65
23 percent of the base amount; and

1 (II) for any additional dwelling
2 units under the program, 7.0 percent
3 of the base amount.

4 (B) BASE AMOUNT.—For purposes of this
5 paragraph, the base amount shall be the higher
6 of—

7 (i) the fair market rental established
8 under section 8(c) of the United States
9 Housing Act of 1937 (as in effect imme-
10 diately before the effective date of the re-
11 peal under section 1601(b) of this Act) for
12 fiscal year 1993 for a 2-bedroom existing
13 rental dwelling unit in the market area of
14 the agency, and

15 (ii) the amount that is the lesser of
16 (I) such fair market rental for fiscal year
17 1994 or (II) 103.5 percent of the amount
18 determined under clause (i),

19 adjusted based on changes in wage data or
20 other objectively measurable data that reflect
21 the costs of administering the program, as de-
22 termined by the Secretary. The Secretary may
23 require that the base amount be not less than
24 a minimum amount and not more than a maxi-
25 mum amount.

1 (3) SUBSEQUENT FISCAL YEARS.—For subse-
2 quent fiscal years, the Secretary shall publish a no-
3 tice in the Federal Register, for each geographic
4 area, establishing the amount of the fee that would
5 apply for public housing agencies administering the
6 program, based on changes in wage data or other
7 objectively measurable data that reflect the costs of
8 administering the program, as determined by the
9 Secretary.

10 (4) INCREASE.—The Secretary may increase
11 the fee if necessary to reflect the higher costs of ad-
12 ministering small programs and programs operating
13 over large geographic areas.

14 (b) FEE FOR PRELIMINARY EXPENSES.—The Sec-
15 retary shall also establish reasonable fees (as determined
16 by the Secretary) for—

17 (1) the costs of preliminary expenses, in the
18 amount of \$500, for a public housing agency, but
19 only in the first year that the agency administers a
20 choice-based housing assistance program under this
21 title, and only if, immediately before the effective
22 date of this division, the agency was not administer-
23 ing a tenant-based rental assistance program under
24 the United States Housing Act of 1937 (as in effect

1 immediately before such effective date), in connec-
2 tion with its initial increment of assistance received;

3 (2) the costs incurred in assisting families who
4 experience difficulty (as determined by the Sec-
5 retary) in obtaining appropriate housing under the
6 programs; and

7 (3) extraordinary costs approved by the Sec-
8 retary.

9 (c) TRANSFER OF FEES IN CASES OF CONCURRENT
10 GEOGRAPHICAL JURISDICTION.—In each fiscal year, if
11 any public housing agency provides tenant-based rental as-
12 sistance under section 8 of the United States Housing Act
13 of 1937 or housing assistance under this title on behalf
14 of a family who uses such assistance for a dwelling unit
15 that is located within the jurisdiction of such agency but
16 is also within the jurisdiction of another public housing
17 agency, the Secretary shall take such steps as may be nec-
18 essary to ensure that the public housing agency that pro-
19 vides the services for a family receives all or part of the
20 administrative fee under this section (as appropriate).

21 **SEC. 1306. AUTHORIZATIONS OF APPROPRIATIONS.**

22 (a) IN GENERAL.—There is authorized to be appro-
23 priated for providing public housing agencies with housing
24 assistance under this title, such sums as may be necessary
25 for each of fiscal years 1998, 1999, 2000, 2001, and 2002

1 to provide amounts for incremental assistance under this
2 title, for renewal of expiring contracts under section 1302
3 of this Act and renewal under this title of expiring con-
4 tracts for tenant-based rental assistance under section 8
5 of the United States Housing Act of 1937 (as in effect
6 before the effective date of the repeal under section
7 1601(b) of this Act), and for replacement needs for public
8 housing under title XII.

9 (b) ASSISTANCE FOR DISABLED FAMILIES.—

10 (1) AUTHORIZATION OF APPROPRIATIONS.—

11 There is authorized to be appropriated, for choice-
12 based housing assistance under this title to be used
13 in accordance with paragraph (2), \$50,000,000 for
14 fiscal year 1998, and such sums as may be nec-
15 essary for each subsequent fiscal year.

16 (2) USE.—The Secretary shall provide amounts
17 made available under paragraph (1) to public hous-
18 ing agencies only for use to provide housing assist-
19 ance under this title for nonelderly disabled families
20 (including such families relocating pursuant to des-
21 ignation of a public housing development under sec-
22 tion 1227 or the establishment of occupancy restric-
23 tions in accordance with section 658 of the Housing
24 and Community Development Act of 1992 and other

1 nonelderly disabled families who have applied to the
2 agency for housing assistance under this title).

3 (3) ALLOCATION OF AMOUNTS.—The Secretary
4 shall allocate and provide amounts made available
5 under paragraph (1) to public housing agencies as
6 the Secretary determines appropriate based on the
7 relative levels of need among the authorities for as-
8 sistance for families described in paragraph (1).

9 (c) ASSISTANCE FOR WITNESS RELOCATION.—Of the
10 amounts made available for choice-based housing assist-
11 ance under this title for each fiscal year, the Secretary,
12 in consultation with the Inspector General, shall make
13 available such sums as may be necessary for such housing
14 assistance for the relocation of witnesses in connection
15 with efforts to combat crime in public and assisted hous-
16 ing pursuant to requests from law enforcement and prose-
17 cutive agencies.

18 **SEC. 1307. CONVERSION OF SECTION 8 ASSISTANCE.**

19 (a) IN GENERAL.—Any amounts made available to
20 a public housing agency under a contract for annual con-
21 tributions for assistance under section 8 of the United
22 States Housing Act of 1937 (as in effect before the effec-
23 tive date of the repeal under section 1601(b) of this Act)
24 that have not been obligated for such assistance by such
25 agency before such effective date shall be used to provide

1 assistance under this title, except to the extent the Sec-
2 retary determines such use is inconsistent with existing
3 commitments.

4 (b) EXCEPTION.—Subsection (a) shall not apply to
5 any amounts made available under a contract for housing
6 constructed or substantially rehabilitated pursuant to sec-
7 tion 8(b)(2) of the United States Housing Act of 1937,
8 as in effect before October 1, 1983.

9 **SEC. 1308. RECAPTURE AND REUSE OF ANNUAL CONTRACT**
10 **PROJECT RESERVES UNDER CHOICE-BASED**
11 **HOUSING ASSISTANCE AND SECTION 8 TEN-**
12 **ANT-BASED ASSISTANCE PROGRAMS.**

13 To the extent that the Secretary determines that the
14 amount in the reserve account for annual contributions
15 contracts (for housing assistance under this title or ten-
16 ant-based assistance under section 8 of the United States
17 Housing Act of 1937) that is under contract with a public
18 housing agency for such assistance is in excess of the
19 amounts needed by the agency, the Secretary shall recap-
20 ture such excess amount. The Secretary may hold recap-
21 tured amounts in reserve until needed to enter into,
22 amend, or renew contracts under this title or to amend
23 or renew contracts under section 8 of such Act for tenant-
24 based assistance with any agency.

1 **Subtitle B—Choice-Based Housing**
2 **Assistance for Eligible Families**

3 **SEC. 1321. ELIGIBLE FAMILIES AND PREFERENCES FOR AS-**
4 **SISTANCE.**

5 (a) **LOW-INCOME REQUIREMENT.**—Housing assist-
6 ance under this title may be provided only on behalf of
7 a family that—

8 (1) at the time that such assistance is initially
9 provided on behalf of the family, is determined by
10 the public housing agency to be a low-income family;
11 or

12 (2) qualifies to receive such assistance under
13 any other provision of Federal law.

14 (b) **INCOME TARGETING.**—Of the families initially as-
15 sisted under this title by a public housing agency in any
16 year, not less than 40 percent shall be families whose in-
17 comes do not exceed 30 percent of the area median in-
18 come, as determined by the Secretary with adjustments
19 for smaller and larger families. The Secretary may estab-
20 lish income ceiling higher or lower than 30 percent of the
21 area median income on the basis of the Secretary's find-
22 ings that such variations are necessary because of unusu-
23 ally high or low family incomes.

24 (c) **REVIEWS OF FAMILY INCOMES.**—

1 (1) IN GENERAL.—Reviews of family incomes
2 for purposes of this title shall be subject to the pro-
3 visions of section 904 of the Stewart B. McKinney
4 Homeless Assistance Amendments Act of 1988 and
5 shall be conducted upon the initial provision of hous-
6 ing assistance for the family and thereafter not less
7 than annually.

8 (2) PROCEDURES.—Each public housing agency
9 administering housing assistance under this title
10 shall establish procedures that are appropriate and
11 necessary to ensure that income data provided to the
12 agency and owners by families applying for or re-
13 ceiving housing assistance from the agency is com-
14 plete and accurate.

15 (d) PREFERENCES FOR ASSISTANCE.—

16 (1) AUTHORITY TO ESTABLISH.—Any public
17 housing agency that receives amounts under this
18 title may establish a system for making housing as-
19 sistance available on behalf of eligible families that
20 provides preference for such assistance to eligible
21 families having certain characteristics.

22 (2) CONTENT.—Each system of preferences es-
23 tablished pursuant to this subsection shall be based
24 upon local housing needs and priorities, as deter-
25 mined by the public housing agency using generally

1 accepted data sources, including any information ob-
2 tained pursuant to an opportunity for public com-
3 ment as provided under section 1106(e) and under
4 the requirements applicable to the comprehensive
5 housing affordability strategy for the relevant juris-
6 diction.

7 (3) SENSE OF THE CONGRESS.—It is the sense
8 of the Congress that, to the greatest extent prac-
9 ticable, public housing agencies involved in the selec-
10 tion of tenants under the provisions of this title
11 should adopt preferences for individuals who are vic-
12 tims of domestic violence.

13 (e) PORTABILITY OF HOUSING ASSISTANCE.—

14 (1) NATIONAL PORTABILITY.—An eligible fam-
15 ily that is selected to receive or is receiving assist-
16 ance under this title may rent any eligible dwelling
17 unit in any area where a program is being adminis-
18 tered under this title. Notwithstanding the preceding
19 sentence, a public housing agency may require that
20 any family not living within the jurisdiction of the
21 public housing agency at the time the family applies
22 for assistance from the agency shall, during the 12-
23 month period beginning on the date of initial receipt
24 of housing assistance made available on behalf of the
25 family from such agency, lease and occupy an eligi-

1 ble dwelling unit located within the jurisdiction
2 served by the agency. The agency for the jurisdiction
3 into which the family moves shall have the respon-
4 sibility for administering assistance for the family.

5 (2) SOURCE OF FUNDING FOR A FAMILY THAT
6 MOVES.—For a family that has moved into the juris-
7 diction of a public housing agency and that, at the
8 time of the move, has been selected to receive, or is
9 receiving, assistance provided by another agency, the
10 agency for the jurisdiction into which the family has
11 moved may, in its discretion, cover the cost of assist-
12 ing the family under its contract with the Secretary
13 or through reimbursement from the other agency
14 under that agency's contract.

15 (3) AUTHORITY TO DENY ASSISTANCE TO CER-
16 TAIN FAMILIES WHO MOVE.—A family may not re-
17 ceive housing assistance as provided under this sub-
18 section if the family has moved from a dwelling unit
19 in violation of the lease for the dwelling unit.

20 (4) FUNDING ALLOCATIONS.—In providing as-
21 sistance amounts under this title for public housing
22 agencies for any fiscal year, the Secretary may give
23 consideration to any reduction or increase in the
24 number of resident families under the program of an

1 agency in the preceding fiscal year as a result of this
2 subsection.

3 (f) **CONFIDENTIALITY FOR VICTIMS OF DOMESTIC**
4 **VIOLENCE.**—A public housing agency shall be subject to
5 the restrictions regarding release of information relating
6 to the identity and new residence of any family receiving
7 housing assistance who was a victim of domestic violence
8 that are applicable to shelters pursuant to the Family Vio-
9 lence Prevention and Services Act. The agency shall work
10 with the United States Postal Service to establish proce-
11 dures consistent with the confidentiality provisions in the
12 Violence Against Women Act of 1994.

13 **SEC. 1322. RESIDENT CONTRIBUTION.**

14 (a) **AMOUNT.**—

15 (1) **MONTHLY RENT CONTRIBUTION.**—An as-
16 sisted family shall contribute on a monthly basis for
17 the rental of an assisted dwelling unit an amount
18 that the public housing agency determines is appro-
19 priate with respect to the family and the unit, but
20 which—

21 (A) shall not be less than the minimum
22 monthly rental contribution determined under
23 subsection (b); and

24 (B) shall not exceed the greatest of—

1 (i) 30 percent of the monthly adjusted
2 income of the family;

3 (ii) 10 percent of the monthly income
4 of the family; and

5 (iii) if the family is receiving pay-
6 ments for welfare assistance from a public
7 agency and a part of such payments, ad-
8 justed in accordance with the actual hous-
9 ing costs of the family, is specifically des-
10 ignated by such agency to meet the hous-
11 ing costs of the family, the portion of such
12 payments that is so designated.

13 (2) EXCESS RENTAL AMOUNT.—In any case in
14 which the monthly rent charged for a dwelling unit
15 pursuant to the housing assistance payments con-
16 tract exceeds the applicable payment standard (es-
17 tablished under section 1353) for the dwelling unit,
18 the assisted family residing in the unit shall contrib-
19 ute (in addition to the amount of the monthly rent
20 contribution otherwise determined under paragraph
21 (1) for such family) such entire excess rental
22 amount.

23 (b) MINIMUM MONTHLY RENTAL CONTRIBUTION.—

24 (1) IN GENERAL.—The public housing agency
25 shall determine the amount of the minimum monthly

1 rental contribution of an assisted family (which rent
2 shall include any amount allowed for utilities),
3 which—

4 (A) shall be based upon factors including
5 the adjusted income of the family and any other
6 factors that the agency considers appropriate;

7 (B) shall be not less than \$25, nor more
8 than \$50; and

9 (C) may be increased annually by the
10 agency, except that no such annual increase
11 may exceed 10 percent of the amount of the
12 minimum monthly contribution in effect for the
13 preceding year.

14 (2) HARDSHIP PROVISIONS.—

15 (A) IN GENERAL.—Notwithstanding para-
16 graph (1), a public housing agency shall grant
17 an exemption in whole or in part from payment
18 of the minimum monthly rental contribution es-
19 tablished under this paragraph to any assisted
20 family unable to pay such amount because of fi-
21 nancial hardship, which shall include situations
22 in which (i) the family has lost eligibility for or
23 is awaiting an eligibility determination for a
24 Federal, State, or local assistance program, in-
25 cluding a family that includes a member who is

1 an alien lawfully admitted for permanent resi-
2 dence under the Immigration and Nationality
3 Act who would be entitled to public benefits but
4 for title IV of the Personal Responsibility and
5 Work Opportunity Reconciliation Act of 1996;
6 (ii) the family would be evicted as a result of
7 imposition of the minimum rent; (iii) the in-
8 come of the family has decreased because of
9 changed circumstance, including loss of employ-
10 ment; and (iv) a death in the family has oc-
11 curred; and other situations as may be deter-
12 mined by the agency.

13 (B) WAITING PERIOD.—If an assisted fam-
14 ily requests a hardship exemption under this
15 paragraph and the public housing agency rea-
16 sonably determines the hardship to be of a tem-
17 porary nature, an exemption shall not be grant-
18 ed during the 90-day period beginning upon the
19 making of a request for the exemption. An as-
20 sisted family may not be evicted during such
21 90-day period for nonpayment of rent. In such
22 a case, if the assisted family thereafter dem-
23 onstrates that the financial hardship is of a
24 long-term basis, the agency shall retroactively
25 exempt the family from the applicability of the

1 minimum rent requirement for such 90-day pe-
2 riod.

3 (c) TREATMENT OF CHANGES IN RENTAL CON-
4 TRIBUTION.—

5 (1) NOTIFICATION OF CHANGES.—A public
6 housing agency shall promptly notify the owner of
7 an assisted dwelling unit of any change in the resi-
8 dent contribution by the assisted family residing in
9 the unit that takes effect immediately or at a later
10 date.

11 (2) COLLECTION OF RETROACTIVE CHANGES.—
12 In the case of any change in the rental contribution
13 of an assisted family that affects rental payments
14 previously made, the public housing agency shall col-
15 lect any additional amounts required to be paid by
16 the family under such change directly from the fam-
17 ily and shall refund any excess rental contribution
18 paid by the family directly to the family.

19 (d) PHASE-IN OF RENT CONTRIBUTION IN-
20 CREASES.—

21 (1) IN GENERAL.—Except as provided in para-
22 graph (2), for any family that is receiving tenant-
23 based rental assistance under section 8 of the
24 United States Housing Act of 1937 upon the initial
25 applicability of the provisions of this title to such

1 family, if the monthly contribution for rental of an
2 assisted dwelling unit to be paid by the family upon
3 such initial applicability is greater than the amount
4 paid by the family under the provisions of the
5 United States Housing Act of 1937 immediately be-
6 fore such applicability, any such resulting increase in
7 rent contribution shall be—

8 (A) phased in equally over a period of not
9 less than 3 years, if such increase is 30 percent
10 or more of such contribution before initial ap-
11 plicability; and

12 (B) limited to not more than 10 percent
13 per year if such increase is more than 10 per-
14 cent but less than 30 percent of such contribu-
15 tion before initial applicability.

16 (2) EXCEPTION.—The minimum rent contribu-
17 tion requirement under subsection (b)(1) shall apply
18 to each family described in paragraph (1) of this
19 subsection, notwithstanding such paragraph.

20 **SEC. 1323. RENTAL INDICATORS.**

21 (a) IN GENERAL.—The Secretary shall establish and
22 issue rental indicators under this section periodically, but
23 not less than annually, for existing rental dwelling units
24 that are eligible dwelling units. The Secretary shall estab-
25 lish and issue the rental indicators by housing market area

1 (as the Secretary shall establish) for various sizes and
2 types of dwelling units.

3 (b) AMOUNT.—For a market area, the rental indica-
4 tor established under subsection (a) for a dwelling unit
5 of a particular size and type in the market area shall be
6 a dollar amount that reflects the rental amount for a
7 standard quality rental unit of such size and type in the
8 market area that is an eligible dwelling unit.

9 (c) EFFECTIVE DATE.—The Secretary shall cause
10 the proposed rental indicators established under sub-
11 section (a) for each market area to be published in the
12 Federal Register with reasonable time for public comment,
13 and such rental indicators shall become effective upon the
14 date of publication in final form in the Federal Register.

15 (d) ANNUAL ADJUSTMENT.—Each rental indicator in
16 effect under this section shall be adjusted to be effective
17 on October 1 of each year to reflect changes, based on
18 the most recent available data trended so that the indica-
19 tors will be current for the year to which they apply, in
20 rents for existing rental dwelling units of various sizes and
21 types in the market area suitable for occupancy by families
22 assisted under this title.

1 **SEC. 1324. LEASE TERMS.**

2 Rental assistance may be provided for an eligible
3 dwelling unit only if the assisted family and the owner of
4 the dwelling unit enter into a lease for the unit that—

5 (1) provides for a single lease term of 12
6 months and continued tenancy after such term
7 under a periodic tenancy on a month-to-month basis;

8 (2) contains terms and conditions specifying
9 that termination of tenancy during the term of a
10 lease shall be subject to the provisions set forth in
11 sections 1642 and 1643; and

12 (3) is set forth in the standard form, which is
13 used in the local housing market area by the owner
14 and applies generally to any other tenants in the
15 property who are not assisted families, together with
16 any addendum necessary to include the many terms
17 required under this section.

18 A lease may include any addenda appropriate to set forth
19 the provisions under this title.

20 **SEC. 1325. TERMINATION OF TENANCY.**

21 Each housing assistance payments contract shall pro-
22 vide that the owner shall conduct the termination of ten-
23 ancy of any tenant of an assisted dwelling unit under the
24 contract in accordance with applicable State or local laws,
25 including providing any notice of termination required
26 under such laws.

1 **SEC. 1326. ELIGIBLE OWNERS.**

2 (a) OWNERSHIP ENTITY.—Rental assistance under
3 this title may be provided for any eligible dwelling unit
4 for which the owner is any public agency, private person
5 or entity (including a cooperative), nonprofit organization,
6 agency of the Federal Government, or public housing
7 agency.

8 (b) INELIGIBLE OWNERS.—

9 (1) IN GENERAL.—Notwithstanding subsection
10 (a), a public housing agency—

11 (A) may not enter into a housing assist-
12 ance payments contract (or renew an existing
13 contract) covering a dwelling unit that is owned
14 by an owner who is debarred, suspended, or
15 subject to limited denial of participation under
16 part 24 of title 24, Code of Federal Regula-
17 tions; and

18 (B) may prohibit, or authorize the termi-
19 nation or suspension of, payment of housing as-
20 sistance under a housing assistance payments
21 contract in effect at the time such debarment,
22 suspension, or limited denial of participation
23 takes effect.

24 If the public housing agency takes action under sub-
25 paragraph (B), the agency shall take such actions as
26 may be necessary to protect assisted families who

1 are affected by the action, which may include the
2 provision of additional assistance under this title to
3 such families.

4 (2) PROHIBITION OF SALE OR RENTAL TO RE-
5 LATED PARTIES.—The Secretary shall establish
6 guidelines to prevent housing assistance payments
7 for a dwelling unit that is owned by any spouse,
8 child, or other party who allows an owner described
9 in paragraph (1) to maintain control of the unit.

10 **SEC. 1327. SELECTION OF DWELLING UNITS.**

11 (a) FAMILY CHOICE.—The determination of the
12 dwelling unit in which an assisted family resides and for
13 which housing assistance is provided under this title shall
14 be made solely by the assisted family, subject to the provi-
15 sions of this title and any applicable law.

16 (b) DEED RESTRICTIONS.—Housing assistance may
17 not be used in any manner that abrogates any local deed
18 restriction that applies to any housing consisting of 1 to
19 4 dwelling units. Nothing in this section may be construed
20 to affect the provisions or applicability of the Fair Hous-
21 ing Act.

22 **SEC. 1328. ELIGIBLE DWELLING UNITS.**

23 (a) IN GENERAL.—A dwelling unit shall be an eligible
24 dwelling unit for purposes of this title only if the public

1 housing agency to provide housing assistance for the
2 dwelling unit determines that the dwelling unit—

3 (1) is an existing dwelling unit that is not lo-
4 cated within a nursing home or the grounds of any
5 penal, reformatory, medical, mental, or similar pub-
6 lic or private institution; and

7 (2) complies—

8 (A) in the case of a dwelling unit located
9 in a jurisdiction which has in effect laws, regu-
10 lations, standards, or codes regarding habit-
11 ability of residential dwellings, with such appli-
12 cable laws, regulations, standards, or codes; or

13 (B) in the case of a dwelling unit located
14 in a jurisdiction which does not have in effect
15 laws, regulations, standards, or codes described
16 in subparagraph (A), with the housing quality
17 standards established under subsection (c).

18 Each public housing agency providing housing assistance
19 shall identify, in the local housing management plan for
20 the agency, whether the agency is utilizing the standard
21 under subparagraph (A) or (B) of paragraph (2).

22 (b) DETERMINATIONS.—

23 (1) IN GENERAL.—A public housing agency
24 shall make the determinations required under sub-
25 section (a) pursuant to an inspection of the dwelling

1 unit conducted before any assistance payment is
2 made for the unit.

3 (2) EXPEDITIOUS INSPECTION.—Inspections of
4 dwelling units under this subsection shall be made
5 before the expiration of the 15-day period beginning
6 upon a request by the resident or landlord to the
7 public housing agency. The performance of the agen-
8 cy in meeting the 15-day inspection deadline shall be
9 taken into account in assessing the performance of
10 the agency.

11 (c) FEDERAL HOUSING QUALITY STANDARDS.—The
12 Secretary shall establish housing quality standards under
13 this subsection that ensure that assisted dwelling units are
14 safe, clean, and healthy. Such standards shall include re-
15 quirements relating to habitability, including maintenance,
16 health and sanitation factors, condition, and construction
17 of dwellings, and shall, to the greatest extent practicable,
18 be consistent with the standards established under section
19 1232(b). The Secretary shall differentiate between major
20 and minor violations of such standards.

21 (d) ANNUAL INSPECTIONS.—Each public housing
22 agency providing housing assistance shall make an annual
23 inspection of each assisted dwelling unit during the term
24 of the housing assistance payments contracts for the unit
25 to determine whether the unit is maintained in accordance

1 with the requirements under subsection (a)(2). The agency
2 shall retain the records of the inspection for a reasonable
3 time and shall make the records available upon request
4 to the Secretary, the Inspector General for the Depart-
5 ment of Housing and Urban Development, and any audi-
6 tor conducting an audit under section 1541.

7 (e) INSPECTION GUIDELINES.—The Secretary shall
8 establish procedural guidelines and performance standards
9 to facilitate inspections of dwelling units and conform such
10 inspections with practices utilized in the private housing
11 market. Such guidelines and standards shall take into con-
12 sideration variations in local laws and practices of public
13 housing agencies and shall provide flexibility to authorities
14 appropriate to facilitate efficient provision of assistance
15 under this title.

16 (f) RULE OF CONSTRUCTION.—This section may not
17 be construed to prevent the provision of housing assistance
18 in connection with supportive services for elderly or dis-
19 abled families.

20 **SEC. 1329. HOMEOWNERSHIP OPTION.**

21 (a) IN GENERAL.—A public housing agency providing
22 housing assistance under this title may provide home-
23 ownership assistance to assist eligible families to purchase
24 a dwelling unit (including purchase under lease-purchase
25 homeownership plans).

1 (b) REQUIREMENTS.—A public housing agency pro-
2 viding homeownership assistance under this section shall,
3 as a condition of an eligible family receiving such assist-
4 ance, require the family to—

5 (1) demonstrate that the family has sufficient
6 income from employment or other sources (other
7 than public assistance), as determined in accordance
8 with requirements established by the agency; and

9 (2) meet any other initial or continuing require-
10 ments established by the public housing agency.

11 (c) DOWNPAYMENT REQUIREMENT.—

12 (1) IN GENERAL.—A public housing agency
13 may establish minimum downpayment requirements,
14 if appropriate, in connection with loans made for the
15 purchase of dwelling units for which homeownership
16 assistance is provided under this section. If the
17 agency establishes a minimum downpayment re-
18 quirement, the agency shall permit the family to use
19 grant amounts, gifts from relatives, contributions
20 from private sources, and similar amounts as down-
21 payment amounts in such purchase, subject to the
22 requirements of paragraph (2).

23 (2) DIRECT FAMILY CONTRIBUTION.—In pur-
24 chasing housing pursuant to this section subject to
25 a downpayment requirement, each family shall con-

1 tribute an amount of the downpayment, from re-
2 sources of the family other than grants, gifts, con-
3 tributions, or other similar amounts referred to in
4 paragraph (1), that is not less than 1 percent of the
5 purchase price.

6 (d) **INELIGIBILITY UNDER OTHER PROGRAMS.**—A
7 family may not receive homeownership assistance pursu-
8 ant to this section during any period when assistance is
9 being provided for the family under other Federal home-
10 ownership assistance programs, as determined by the Sec-
11 retary, including assistance under the HOME Investment
12 Partnerships Act, the Homeownership and Opportunity
13 Through HOPE Act, title II of the Housing and Commu-
14 nity Development Act of 1987, and section 502 of the
15 Housing Act of 1949.

16 **SEC. 1330. ASSISTANCE FOR RENTAL OF MANUFACTURED**
17 **HOMES.**

18 (a) **AUTHORITY.**—Nothing in this title may be con-
19 strued to prevent a public housing agency from providing
20 housing assistance under this title on behalf of a low-in-
21 come family for the rental of—

22 (1) a manufactured home that is the principal
23 residence of the family and the real property on
24 which the home is located; or

1 (2) the real property on which is located a man-
2 ufactured home, which is owned by the family and
3 is the principal residence of the family.

4 (b) ASSISTANCE FOR CERTAIN FAMILIES OWNING
5 MANUFACTURED HOMES.—

6 (1) AUTHORITY.—Notwithstanding section
7 1351 or any other provision of this title, a public
8 housing agency that receives amounts under a con-
9 tract under section 1302 may enter into a housing
10 assistance payment contract to make assistance pay-
11 ments under this title to a family that owns a manu-
12 factured home, but only as provided in paragraph
13 (2).

14 (2) LIMITATIONS.—In the case only of a low-in-
15 come family that owns a manufactured home, rents
16 the real property on which it is located, and to
17 whom housing assistance under this title has been
18 made available for the rental of such property, the
19 public housing agency making such assistance avail-
20 able shall enter into a contract to make housing as-
21 sistance payments under this title directly to the
22 family (rather than to the owner of such real prop-
23 erty) if—

1 (A) the owner of the real property refuses
2 to enter into a contract to receive housing as-
3 sistance payments pursuant to section 1351(a);

4 (B) the family was residing in such manu-
5 factured home on such real property at the time
6 such housing assistance was initially made
7 available on behalf of the family;

8 (C) the family provides such assurances to
9 the agency, as the Secretary may require, to en-
10 sure that amounts from the housing assistance
11 payments are used for rental of the real prop-
12 erty; and

13 (D) the rental of the real property other-
14 wise complies with the requirements for assist-
15 ance under this title.

16 A contract pursuant to this subsection shall be sub-
17 ject to the provisions of section 1351 and any other
18 provisions applicable to housing assistance payments
19 contracts under this title, except that the Secretary
20 may provide such exceptions as the Secretary consid-
21 ers appropriate to facilitate the provision of assist-
22 ance under this subsection.

1 **Subtitle C—Payment of Housing**
2 **Assistance on Behalf of Assisted**
3 **Families**

4 **SEC. 1351. HOUSING ASSISTANCE PAYMENTS CONTRACTS.**

5 (a) IN GENERAL.—Each public housing agency that
6 receives amounts under a contract under section 1302
7 may enter into housing assistance payments contracts
8 with owners of existing dwelling units to make housing
9 assistance payments to such owners in accordance with
10 this title.

11 (b) PHA ACTING AS OWNER.—A public housing
12 agency may enter into a housing assistance payments con-
13 tract to make housing assistance payments under this title
14 to itself (or any agency or instrumentality thereof) as the
15 owner of dwelling units (other than public housing), and
16 the agency shall be subject to the same requirements that
17 are applicable to other owners, except that the determina-
18 tions under sections 1328(a) and 1354(b) shall be made
19 by a competent party not affiliated with the agency, and
20 the agency shall be responsible for any expenses of such
21 determinations.

22 (c) PROVISIONS.—Each housing assistance payments
23 contract shall—

24 (1) have a term of not more than 12 months;

1 (2) require that the assisted dwelling unit may
2 be rented only pursuant to a lease that complies
3 with the requirements of section 1324;

4 (3) comply with the requirements of sections
5 1325, 1642, and 1643 (relating to termination of
6 tenancy);

7 (4) require the owner to maintain the dwelling
8 unit in accordance with the applicable standards
9 under section 1328(a)(2); and

10 (5) provide that the screening and selection of
11 eligible families for assisted dwelling units shall be
12 the function of the owner.

13 **SEC. 1352. AMOUNT OF MONTHLY ASSISTANCE PAYMENT.**

14 (a) UNITS HAVING GROSS RENT EXCEEDING PAY-
15 MENT STANDARD.—In the case of a dwelling unit bearing
16 a gross rent that exceeds the payment standard estab-
17 lished under section 1353 for a dwelling unit of the appli-
18 cable size and located in the market area in which such
19 assisted dwelling unit is located, the amount of the month-
20 ly assistance payment shall be the amount by which such
21 payment standard exceeds the amount of the resident con-
22 tribution determined in accordance with section
23 1322(a)(1).

24 (b) SHOPPING INCENTIVE FOR UNITS HAVING
25 GROSS RENT NOT EXCEEDING PAYMENT STANDARD.—

1 In the case of an assisted family renting an eligible dwell-
2 ing unit bearing a gross rent that does not exceed the pay-
3 ment standard established under section 1353 for a dwell-
4 ing unit of the applicable size and located in the market
5 area in which such assisted dwelling unit is located, the
6 following requirements shall apply:

7 (1) AMOUNT OF MONTHLY ASSISTANCE PAY-
8 MENT.—The amount of the monthly assistance pay-
9 ment for housing assistance under this title on be-
10 half of the assisted family shall be the amount by
11 which the gross rent for the dwelling unit exceeds
12 the amount of the resident contribution.

13 (2) ESCROW OF SHOPPING INCENTIVE SAV-
14 INGS.—An amount equal to 50 percent of the dif-
15 ference between payment standard and the gross
16 rent for the dwelling unit shall be placed in an inter-
17 est bearing escrow account on behalf of such family
18 on a monthly basis by the public housing agency.
19 Amounts in the escrow account shall be made avail-
20 able to the assisted family on an annual basis.

21 (3) DEFICIT REDUCTION.—The public housing
22 agency making housing assistance payments on be-
23 half of such assisted family in a fiscal year shall re-
24 serve from amounts made available to the agency for
25 assistance payments for such fiscal year an amount

1 equal to the amount described in paragraph (2). At
2 the end of each fiscal year, the Secretary shall re-
3 capture any such amounts reserved by public hous-
4 ing agencies and such amounts shall be covered into
5 the General Fund of the Treasury of the United
6 States.

7 For purposes of this section, in the case of a family receiv-
8 ing homeownership assistance under section 1329, the
9 term “gross rent” shall mean the homeownership costs to
10 the family as determined in accordance with guidelines of
11 the Secretary.

12 **SEC. 1353. PAYMENT STANDARDS.**

13 (a) ESTABLISHMENT.—Each public housing agency
14 providing housing assistance under this title shall establish
15 payment standards under this section for various areas,
16 and sizes and types of dwelling units, for use in determin-
17 ing the amount of monthly housing assistance payment
18 to be provided on behalf of assisted families.

19 (b) USE OF RENTAL INDICATORS.—The payment
20 standard for each size and type of housing for each market
21 area shall be an amount that is not less than 80 percent,
22 and not greater than 120 percent, of the rental indicator
23 established under section 1323 for such size and type for
24 such area.

1 (c) REVIEW.—If the Secretary determines, at any
2 time, that a significant percentage of the assisted families
3 who are assisted by a public housing agency and are occu-
4 pying dwelling units of a particular size are paying more
5 than 30 percent of their adjusted incomes for rent, the
6 Secretary shall review the payment standard established
7 by the agency for such size dwellings. If, pursuant to the
8 review, the Secretary determines that such payment stand-
9 ard is not appropriate to serve the needs of the low-income
10 population of the jurisdiction served by the agency (taking
11 into consideration rental costs in the area), as identified
12 in the approved community improvement plan of the agen-
13 cy, the Secretary may require the public housing agency
14 to modify the payment standard.

15 **SEC. 1354. REASONABLE RENTS.**

16 (a) ESTABLISHMENT.—The rent charged for a dwell-
17 ing unit for which rental assistance is provided under this
18 title shall be established pursuant to negotiation and
19 agreement between the assisted family and the owner of
20 the dwelling unit.

21 (b) REASONABLENESS.—

22 (1) DETERMINATION.—A public housing agency
23 providing rental assistance under this title for a
24 dwelling unit shall, before commencing assistance
25 payments for a unit (with respect to initial contract

1 rents and any rent revisions), determine whether the
 2 rent charged for the unit exceeds the rents charged
 3 for comparable units in the applicable private unas-
 4 sisted market.

5 (2) UNREASONABLE RENTS.—If the agency de-
 6 termines that the rent charged for a dwelling unit
 7 exceeds such comparable rents, the agency shall—

8 (A) inform the assisted family renting the
 9 unit that such rent exceeds the rents for com-
 10 parable unassisted units in the market; and

11 (B) refuse to provide housing assistance
 12 payments for such unit.

13 **SEC. 1355. PROHIBITION OF ASSISTANCE FOR VACANT**
 14 **RENTAL UNITS.**

15 If an assisted family vacates a dwelling unit for which
 16 rental assistance is provided under a housing assistance
 17 payments contract before the expiration of the term of the
 18 lease for the unit, rental assistance pursuant to such con-
 19 tract may not be provided for the unit after the month
 20 during which the unit was vacated.

21 **Subtitle D—General and**
 22 **Miscellaneous Provisions**

23 **SEC. 1371. DEFINITIONS.**

24 For purposes of this title:

1 (1) ASSISTED DWELLING UNIT.—The term “as-
2 sisted dwelling unit” means a dwelling unit in which
3 an assisted family resides and for which housing as-
4 sistance payments are made under this title.

5 (2) ASSISTED FAMILY.—The term “assisted
6 family” means an eligible family on whose behalf
7 housing assistance payments are made under this
8 title or who has been selected and approved for
9 housing assistance.

10 (3) CHOICE-BASED.—The term “choice-based”
11 means, with respect to housing assistance, that the
12 assistance is not attached to a dwelling unit but can
13 be used for any eligible dwelling unit selected by the
14 eligible family.

15 (4) ELIGIBLE DWELLING UNIT.—The term “eli-
16 gible dwelling unit” means a dwelling unit that com-
17 plies with the requirements under section 1328 for
18 consideration as an eligible dwelling unit.

19 (5) ELIGIBLE FAMILY.—The term “eligible
20 family” means a family that meets the requirements
21 under section 1321(a) for assistance under this title.

22 (6) HOMEOWNERSHIP ASSISTANCE.—The term
23 “homeownership assistance” means housing assist-
24 ance provided under section 1329 for the ownership
25 of a dwelling unit.

1 (7) HOUSING ASSISTANCE.—The term “housing
2 assistance” means choice-based assistance provided
3 under this title on behalf of low-income families for
4 the rental or ownership of an eligible dwelling unit.

5 (8) HOUSING ASSISTANCE PAYMENTS CON-
6 TRACT.—The term “housing assistance payments
7 contract” means a contract under section 1351 be-
8 tween a public housing agency (or the Secretary)
9 and an owner to make housing assistance payments
10 under this title to the owner on behalf of an assisted
11 family.

12 (9) PUBLIC HOUSING AGENCY.—The terms
13 “public housing agency” and “agency” have the
14 meaning given such terms in section 1103, except
15 that the terms include—

16 (A) a consortia of public housing agencies
17 that the Secretary determines has the capacity
18 and capability to administer a program for
19 housing assistance under this title in an effi-
20 cient manner;

21 (B) any other entity that, upon the effec-
22 tive date of this division, was administering any
23 program for tenant-based rental assistance
24 under section 8 of the United States Housing
25 Act of 1937 (as in effect before the effective

1 date of the repeal under section 1601(b) of this
2 Act), pursuant to a contract with the Secretary
3 or a public housing agency; and

4 (C) with respect to any area in which no
5 public housing agency has been organized or
6 where the Secretary determines that a public
7 housing agency is unwilling or unable to imple-
8 ment this title, or is not performing effec-
9 tively—

10 (i) the Secretary or another entity
11 that by contract agrees to receive assist-
12 ance amounts under this title and enter
13 into housing assistance payments contracts
14 with owners and perform the other func-
15 tions of public housing agency under this
16 title; or

17 (ii) notwithstanding any provision of
18 State or local law, a public housing agency
19 for another area that contracts with the
20 Secretary to administer a program for
21 housing assistance under this title, without
22 regard to any otherwise applicable limita-
23 tions on its area of operation.

24 (10) OWNER.—The term “owner” means the
25 person or entity having the legal right to lease or

1 sublease dwelling units. Such term includes any
 2 principals, general partners, primary shareholders,
 3 and other similar participants in any entity owning
 4 a multifamily housing project, as well as the entity
 5 itself.

6 (11) RENT.—The terms “rent” and “rental”
 7 include, with respect to members of a cooperative,
 8 the charges under the occupancy agreements be-
 9 tween such members and the cooperative.

10 (12) RENTAL ASSISTANCE.—The term “rental
 11 assistance” means housing assistance provided
 12 under this title for the rental of a dwelling unit.

13 **SEC. 1372. RENTAL ASSISTANCE FRAUD RECOVERIES.**

14 (a) AUTHORITY TO RETAIN RECOVERED
 15 AMOUNTS.—The Secretary shall permit public housing
 16 agencies administering housing assistance under this title
 17 to retain, out of amounts obtained by the authorities from
 18 tenants that are due as a result of fraud and abuse, an
 19 amount (determined in accordance with regulations issued
 20 by the Secretary) equal to the greater of—

21 (1) 50 percent of the amount actually collected;

22 or

23 (2) the actual, reasonable, and necessary ex-
 24 penses related to the collection, including costs of in-
 25 vestigation, legal fees, and collection agency fees.

1 (b) USE.—Amounts retained by an agency shall be
2 made available for use in support of the affected program
3 or project, in accordance with regulations issued by the
4 Secretary. If the Secretary is the principal party initiating
5 or sustaining an action to recover amounts from families
6 or owners, the provisions of this section shall not apply.

7 (c) RECOVERY.—Amounts may be recovered under
8 this section—

9 (1) by an agency through a lawsuit (including
10 settlement of the lawsuit) brought by the agency or
11 through court-ordered restitution pursuant to a
12 criminal proceeding resulting from an agency's in-
13 vestigation where the agency seeks prosecution of a
14 family or where an agency seeks prosecution of an
15 owner;

16 (2) through administrative repayment agree-
17 ments with a family or owner entered into as a re-
18 sult of an administrative grievance procedure con-
19 ducted by an impartial decisionmaker in accordance
20 with section 1110; or

21 (3) through an agreement between the parties.

22 **SEC. 1373. STUDY REGARDING GEOGRAPHIC CONCENTRA-**
23 **TION OF ASSISTED FAMILIES.**

24 (a) IN GENERAL.—The Secretary shall conduct a
25 study of the geographic areas in the State of Illinois served

1 by the Housing Authority of Cook County and the Chicago
2 Housing Authority and submit to the Congress a report
3 and a specific proposal, which addresses and resolves the
4 issues of—

5 (1) the adverse impact on local communities
6 due to geographic concentration of assisted house-
7 holds under the tenant-based housing programs
8 under section 8 of the United States Housing Act of
9 1937 (as in effect upon the enactment of this Act)
10 and under this title; and

11 (2) facilitating the deconcentration of such as-
12 sisted households by providing broader housing
13 choices to such households.

14 The study shall be completed, and the report shall be sub-
15 mitted, not later than 90 days after the date of the enact-
16 ment of this Act.

17 (b) CONCENTRATION.—For purposes of this section,
18 the term “concentration” means, with respect to any area
19 within a census tract, that—

20 (1) 15 percent or more of the households resid-
21 ing within such area have incomes which do not ex-
22 ceed the poverty level; or

23 (2) 15 percent or more of the total affordable
24 housing stock located within such area is assisted
25 housing.

1 (c) EFFECTIVE DATE.—This section shall take effect
2 on the date of the enactment of this Act.

3 **SEC. 1374. STUDY REGARDING RENTAL ASSISTANCE.**

4 The Secretary shall conduct a nationwide study of the
5 choice-based housing assistance program under this title
6 and the tenant-based rental assistance program under sec-
7 tion 8 of the United States Housing Act of 1937 (as in
8 effect pursuant to sections 1601(c) and 1602(b)). The
9 study shall, for various localities—

10 (1) determine who are the providers of the
11 housing in which families assisted under such pro-
12 grams reside;

13 (2) describe and analyze the physical and demo-
14 graphic characteristics of the housing in which such
15 assistance is used, including, for housing in which at
16 least one such assisted family resides, the total num-
17 ber of units in the housing and the number of units
18 in the housing for which such assistance is provided;

19 (3) determine the total number of units for
20 which such assistance is provided;

21 (4) describe the durations that families remain
22 on waiting lists before being provided such housing
23 assistance; and

24 (5) assess the extent and quality of participa-
25 tion of housing owners in such assistance programs

1 in relation to the local housing market, including
2 comparing—

3 (A) the quality of the housing assisted to
4 the housing generally available in the same
5 market; and

6 (B) the extent to which housing is avail-
7 able to be occupied using such assistance to the
8 extent to which housing is generally available in
9 the same market.

10 The Secretary shall submit a report describing the results
11 of the study to the Congress not later than the expiration
12 of the 2-year period beginning on the date of the enact-
13 ment of this Act.

14 **TITLE XIV—HOME RULE**
15 **FLEXIBLE GRANT OPTION**

16 **SEC. 1401. PURPOSE.**

17 The purpose of this title is to give local governments
18 and municipalities the flexibility to design creative ap-
19 proaches for providing and administering Federal housing
20 assistance based on the particular needs of the commu-
21 nities that—

22 (1) give incentives to low-income families with
23 children where the head of household is working,
24 seeking work, or preparing for work by participating
25 in job training, educational programs, or programs

1 that assist people to obtain employment and become
2 economically self-sufficient;

3 (2) reduce cost and achieve greater cost-effec-
4 tiveness in Federal housing assistance expenditures;

5 (3) increase housing choices for low-income
6 families; and

7 (4) reduce excessive geographic concentration of
8 assisted families.

9 **SEC. 1402. FLEXIBLE GRANT PROGRAM.**

10 (a) **AUTHORITY AND USE.**—The Secretary shall carry
11 out a program under which a jurisdiction may, upon the
12 application of the jurisdiction and the review and approval
13 of the Secretary, receive, combine, and enter into perform-
14 ance-based contracts for the use of amounts of covered
15 housing assistance in a period consisting of not less than
16 one nor more than 5 fiscal years in the manner determined
17 appropriate by the participating jurisdiction—

18 (1) to provide housing assistance and services
19 for low-income families in a manner that facilitates
20 the transition of such families to work;

21 (2) to reduce homelessness;

22 (3) to increase homeownership among low-in-
23 come families; and

24 (4) for other housing purposes for low-income
25 families determined by the participating jurisdiction.

1 (b) INAPPLICABILITY OF CATEGORICAL PROGRAM
2 REQUIREMENTS.—

3 (1) IN GENERAL.—Except as provided in para-
4 graph (2) and section 1405, the provisions of this di-
5 vision regarding use of amounts made available
6 under each of the programs included as covered
7 housing assistance and the program requirements
8 applicable to each such program shall not apply to
9 amounts received by a jurisdiction pursuant to this
10 title.

11 (2) APPLICABILITY OF CERTAIN LAWS.—This
12 title may not be construed to exempt assistance
13 under this division from, or make inapplicable any
14 provision of this division or of any other law that re-
15 quires that assistance under this division be provided
16 in compliance with—

17 (A) title VI of the Civil Rights Act of 1964
18 (42 U.S.C. 2000d et seq.);

19 (B) the Fair Housing Act (42 U.S.C. 3601
20 et seq.);

21 (C) section 504 of the Rehabilitation Act
22 of 1973 (29 U.S.C. 701 et seq.);

23 (D) title IX of the Education Amendments
24 of 1972 (86 Stat. 373 et seq.);

1 (E) the Age Discrimination Act of 1975
2 (42 U.S.C. 6101 et seq.);

3 (F) the Americans with Disabilities Act of
4 1990; or

5 (G) the National Environmental Policy Act
6 of 1969 and other provisions of law that further
7 protection of the environment (as specified in
8 regulations that shall be issued by the Sec-
9 retary).

10 (c) EFFECT ON PROGRAM ALLOCATIONS FOR COV-
11 ERED HOUSING ASSISTANCE.—The amount of assistance
12 received pursuant to this title by a participating jurisdic-
13 tion shall not be decreased, because of participation in the
14 program under this title, from the sum of the amounts
15 that otherwise would be made available for or within the
16 participating jurisdiction under the programs included as
17 covered housing assistance.

18 **SEC. 1403. COVERED HOUSING ASSISTANCE.**

19 For purposes of this title, the term “covered housing
20 assistance” means—

21 (1) operating assistance provided under section
22 9 of the United States Housing Act of 1937 (as in
23 effect before the effective date of the repeal under
24 section 1601(b) of this Act);

1 (2) modernization assistance provided under
2 section 14 of such Act;

3 (3) assistance provided under section 8 of such
4 Act for the certificate and voucher programs;

5 (4) assistance for public housing provided under
6 title XII of this Act; and

7 (5) choice-based rental assistance provided
8 under title XIII of this Act.

9 Such term does not include any amounts obligated for as-
10 sistance under existing contracts for project-based assist-
11 ance under section 8 of the United States Housing Act
12 of 1937 or section 1601(f) of this Act.

13 **SEC. 1404. PROGRAM REQUIREMENTS.**

14 (a) ELIGIBLE FAMILIES.—Each family on behalf of
15 whom assistance is provided for rental or homeownership
16 of a dwelling unit using amounts made available pursuant
17 to this title shall be a low-income family. Each dwelling
18 unit assisted using amounts made available pursuant to
19 this title shall be available for occupancy only by families
20 that are low-income families at the time of their initial
21 occupancy of the unit.

22 (b) COMPLIANCE WITH ASSISTANCE PLAN.—A par-
23 ticipating jurisdiction shall provide assistance using
24 amounts received pursuant to this title in the manner set

1 forth in the plan of the jurisdiction approved by the Sec-
2 retary under section 1406(a)(2).

3 (c) RENT POLICY.—A participating jurisdiction shall
4 ensure that the rental contributions charged to families
5 assisted with amounts received pursuant to this title—

6 (1) do not exceed the amount that would be
7 chargeable under title XII to such families were such
8 families residing in public housing assisted under
9 such title; or

10 (2) are established, pursuant to approval by the
11 Secretary of a proposed rent structure included in
12 the application under section 1406, at levels that are
13 reasonable and designed to eliminate any disincen-
14 tives for members of the family to obtain employ-
15 ment and attain economic self-sufficiency.

16 (d) HOUSING QUALITY STANDARDS.—

17 (1) COMPLIANCE.—A participating jurisdiction
18 shall ensure that housing assisted with amounts re-
19 ceived pursuant to this title is maintained in a con-
20 dition that complies—

21 (A) in the case of housing located in a ju-
22 risdiction which has in effect laws, regulations,
23 standards, or codes regarding habitability of
24 residential dwellings, with such applicable laws,
25 regulations, standards, or codes; or

1 (B) in the case of housing located in a ju-
2 risdiction which does not have in effect laws,
3 regulations, standards, or codes described in
4 paragraph (1), with the housing quality stand-
5 ards established under paragraph (2).

6 (2) FEDERAL HOUSING QUALITY STANDARDS.—

7 The Secretary shall establish housing quality stand-
8 ards under this paragraph that ensure that dwelling
9 units assisted under this title are safe, clean, and
10 healthy. Such standards shall include requirements
11 relating to habitability, including maintenance,
12 health and sanitation factors, condition, and con-
13 struction of dwellings, and shall, to the greatest ex-
14 tent practicable, be consistent with the standards es-
15 tablished under sections 1232(b) and 1328(c). The
16 Secretary shall differentiate between major and
17 minor violations of such standards.

18 (e) NUMBER OF FAMILIES ASSISTED.—A participat-
19 ing jurisdiction shall ensure that, in providing assistance
20 with amounts received pursuant to this title in each fiscal
21 year, not less than substantially the same total number
22 of eligible low-income families are assisted as would have
23 been assisted had the amounts of covered housing assist-
24 ance not been combined for use under this title.

1 (f) CONSISTENCY WITH WELFARE PROGRAM.—A
2 participating jurisdiction shall ensure that assistance pro-
3 vided with amounts received pursuant to this title is pro-
4 vided in a manner that is consistent with the welfare, pub-
5 lic assistance, or other economic self-sufficiency programs
6 operating in the jurisdiction by facilitating the transition
7 of assisted families to work, which may include requiring
8 compliance with the requirements under such welfare,
9 public assistance, or self-sufficiency programs as a condi-
10 tion of receiving housing assistance with amounts provided
11 under this title.

12 (g) TREATMENT OF CURRENTLY ASSISTED FAMI-
13 LIES.—

14 (1) CONTINUATION OF ASSISTANCE.—A partici-
15 pating jurisdiction shall ensure that each family that
16 was receiving housing assistance or residing in an
17 assisted dwelling unit pursuant to any of the pro-
18 grams included as covered housing assistance imme-
19 diately before the jurisdiction initially provides as-
20 sistance pursuant to this title shall be offered assist-
21 ance or an assisted dwelling unit under the program
22 of the jurisdiction under this title.

23 (2) PHASE-IN OF RENT CONTRIBUTION IN-
24 CREASES.—For any family that was receiving hous-
25 ing assistance pursuant to any of the programs in-

1 cluded as covered housing assistance immediately be-
2 fore the jurisdiction initially provides assistance pur-
3 suant to this title, if the monthly contribution for
4 rental of a dwelling unit assisted under this title to
5 be paid by the family upon initial applicability of
6 this title is greater than the amount paid by the
7 family immediately before such applicability, any
8 such resulting increase in rent contribution shall
9 be—

10 (A) phased in equally over a period of not
11 less than 3 years, if such increase is 30 percent
12 or more of such contribution before initial ap-
13 plicability; and

14 (B) limited to not more than 10 percent
15 per year if such increase is more than 10 per-
16 cent but less than 30 percent of such contribu-
17 tion before initial applicability.

18 (h) AMOUNT OF ASSISTANCE.—In providing housing
19 assistance using amounts received pursuant to this title,
20 the amount of assistance provided by a participating juris-
21 diction on behalf of each assisted low-income family shall
22 be sufficient so that if the family used such assistance to
23 rent a dwelling unit having a rent equal to the 40th per-
24 centile of rents for standard quality rental units of the
25 same size and type in the same market area, the contribu-

1 tion toward rental paid by the family would be affordable
2 (as such term is defined by the jurisdiction) to the family.

3 (i) PORTABILITY.—A participating jurisdiction shall
4 ensure that financial assistance for housing provided with
5 amounts received pursuant to this title may be used by
6 a family moving from an assisted dwelling unit located
7 within the jurisdiction to obtain a dwelling unit located
8 outside of the jurisdiction.

9 (j) PREFERENCES.—In providing housing assistance
10 using amounts received pursuant to this title, a participat-
11 ing jurisdiction may establish a system for making hous-
12 ing assistance available that provides preference for assist-
13 ance to families having certain characteristics. A system
14 of preferences established pursuant to this subsection shall
15 be based on local housing needs and priorities, as deter-
16 mined by the jurisdiction using generally accepted data
17 sources.

18 (k) COMMUNITY WORK REQUIREMENT.—

19 (1) APPLICABILITY OF REQUIREMENTS FOR
20 PHA'S.—Except as provided in paragraph (2), par-
21 ticipating jurisdictions, families assisted with
22 amounts received pursuant to this title, and dwelling
23 units assisted with amounts received pursuant to
24 this title, shall be subject to the provisions of section
25 1105 to the same extent that such provisions apply

1 with respect to public housing agencies, families re-
2 siding in public housing dwelling units and families
3 assisted under title XIII, and public housing dwell-
4 ing units and dwelling units assisted under title
5 XIII.

6 (2) LOCAL COMMUNITY SERVICE ALTER-
7 NATIVE.—Paragraph (1) shall not apply to a partici-
8 pating jurisdiction that, pursuant to approval by the
9 Secretary of a proposal included in the application
10 under section 1406, is carrying out a local program
11 that is designed to foster community service by fami-
12 lies assisted with amounts received pursuant to this
13 title.

14 (1) INCOME TARGETING.—In providing housing as-
15 sistance using amounts received pursuant to this title in
16 any fiscal year, a participating jurisdiction shall ensure
17 that the number of families having incomes that do not
18 exceed 30 percent of the area median income that are ini-
19 tially assisted under this title during such fiscal year is
20 not less than substantially the same number of families
21 having such incomes that would be initially assisted in
22 such jurisdiction during such fiscal year under titles XII
23 and XIII pursuant to sections 1222(c) and 1321(b)).

1 **SEC. 1405. APPLICABILITY OF CERTAIN PROVISIONS.**

2 (a) PUBLIC HOUSING DEMOLITION AND DISPOS-
3 TION REQUIREMENTS.—section 1261 shall continue to
4 apply to public housing notwithstanding any use of the
5 housing under this title.

6 (b) LABOR STANDARDS.—section 1112 shall apply to
7 housing assisted with amounts provided pursuant to this
8 title, other than housing assisted solely due to occupancy
9 by families receiving tenant-based assistance.

10 **SEC. 1406. APPLICATION.**

11 (a) IN GENERAL.—The Secretary shall provide for
12 jurisdictions to submit applications to receive and use cov-
13 ered housing assistance amounts as authorized in this title
14 for periods of not less than 1 and not more than 5 fiscal
15 years. An application—

16 (1) shall be submitted only after the jurisdiction
17 provides for citizen participation through a public
18 hearing and, if appropriate, other means;

19 (2) shall include a plan developed by the juris-
20 diction for the provision of housing assistance with
21 amounts received pursuant to this title that takes
22 into consideration comments from the public hearing
23 and any other public comments on the proposed pro-
24 gram, and comments from current and prospective
25 residents who would be affected, and that includes

1 criteria for meeting each of the requirements under
2 section 1404 and this title;

3 (3) shall describe how the plan for use of
4 amounts will assist in meeting the goals set forth in
5 section 1401;

6 (4) shall propose standards for measuring per-
7 formance in using assistance provided pursuant to
8 this title based on the performance standards under
9 subsection (b)(2);

10 (5) shall propose the length of the period for
11 which the jurisdiction is applying for assistance
12 under this title;

13 (6) may include a request assistance for train-
14 ing and technical assistance to assist with design of
15 the program and to participate in a detailed evalua-
16 tion;

17 (7) shall—

18 (A) in the case of the application of any
19 jurisdiction within whose boundaries are areas
20 subject to any other unit of general local gov-
21 ernment, include the signed consent of the ap-
22 propriate executive official of such unit to the
23 application; and

24 (B) in the case of the application of a con-
25 sortia of units of general local government (as

1 provided under section 1409(1)(B)), include the
2 signed consent of the appropriate executive offi-
3 cials of each unit included in the consortia;

4 (8) shall include information sufficient, in the
5 determination of the Secretary—

6 (A) to demonstrate that the jurisdiction
7 has or will have management and administra-
8 tive capacity sufficient to carry out the plan
9 under paragraph (2);

10 (B) to demonstrate that carrying out the
11 plan will not result in excessive duplication of
12 administrative efforts and costs, particularly
13 with respect to activities performed by public
14 housing agencies operating within the bound-
15 aries of the jurisdiction;

16 (C) to describe the function and activities
17 to be carried out by such public housing agen-
18 cies affected by the plan; and

19 (D) to demonstrate that the amounts re-
20 ceived by the jurisdiction will be maintained
21 separate from other funds available to the juris-
22 diction and will be used only to carry out the
23 plan; and

24 (9) shall include information describing how the
25 jurisdiction will make decisions regarding asset man-

1 agement of housing for low-income families under
2 programs for covered housing assistance or assisted
3 with grant amounts under this title.

4 A plan required under paragraph (2) to be included in
5 the application may be contained in a memorandum of
6 agreement or other document executed by a jurisdiction
7 and public housing agency, if such document is submitted
8 together with the application.

9 (b) REVIEW, APPROVAL, AND PERFORMANCE STAND-
10 ARDS.—

11 (1) REVIEW.—The Secretary shall review appli-
12 cations for assistance pursuant to this title and shall
13 approve or disapprove such applications within 60
14 days after their submission. The Secretary shall pro-
15 vide affected public housing agencies an opportunity
16 to review an application submitted under this sub-
17 section and to provide written comments on the ap-
18 plication, which shall be a period of not less than 30
19 days ending before the Secretary approves or dis-
20 approves the application. If the Secretary determines
21 that the application complies with the requirements
22 of this title, the Secretary shall offer to enter into
23 an agreement with jurisdiction providing for assist-
24 ance pursuant to this title and incorporating a re-
25 quirement that the jurisdiction achieve a particular

1 level of performance in each of the areas for which
2 performance standards are established under para-
3 graph (2). If the Secretary determines that an appli-
4 cation does not comply with the requirements of this
5 title, the Secretary shall notify the jurisdiction sub-
6 mitting the application of the reasons for such dis-
7 approval and actions that may be taken to make the
8 application approvable. Upon approving or dis-
9 approving an application under this paragraph, the
10 Secretary shall make such determination publicly
11 available in writing together with a written state-
12 ment of the reasons for such determination.

13 (2) PERFORMANCE STANDARDS.—The Sec-
14 retary shall establish standards for measuring per-
15 formance of jurisdictions in the following areas:

16 (A) Success in moving dependent low-in-
17 come families to economic self-sufficiency.

18 (B) Success in reducing the numbers of
19 long-term homeless families.

20 (C) Decrease in the per-family cost of pro-
21 viding assistance.

22 (D) Reduction of excessive geographic con-
23 centration of assisted families.

24 (E) Any other performance goals that the
25 Secretary may prescribe.

1 (3) APPROVAL.—If the Secretary and a juris-
2 diction that the Secretary determines has submitted
3 an application meeting the requirements of this title
4 enter into an agreement referred to in paragraph
5 (1), the Secretary shall approve the application and
6 provide covered housing assistance for the jurisdic-
7 tion in the manner authorized under this title. The
8 Secretary may not approve any application for as-
9 sistance pursuant to this title unless the Secretary
10 and jurisdiction enter into an agreement referred to
11 in paragraph (1). The Secretary shall establish re-
12 quirements for the approval of applications under
13 this section submitted by public housing agencies
14 designated under section 1533(a) as troubled, which
15 may include additional or different criteria deter-
16 mined by the Secretary to be more appropriate for
17 such agencies.

18 (c) STATUS OF PHA'S.—Nothing in this section or
19 title may be construed to require any change in the legal
20 status of any public housing agency or in any legal rela-
21 tionship between a jurisdiction and a public housing agen-
22 cy as a condition of participation in the program under
23 this title.

1 **SEC. 1407. TRAINING.**

2 The Secretary, in consultation with representatives of
3 public and assisted housing interests, shall provide train-
4 ing and technical assistance relating to providing assist-
5 ance under this title and conduct detailed evaluations of
6 up to 30 jurisdictions for the purpose of identifying
7 replicable program models that are successful at carrying
8 out the purposes of this title.

9 **SEC. 1408. ACCOUNTABILITY.**

10 (a) **PERFORMANCE GOALS.**—The Secretary shall
11 monitor the performance of participating jurisdictions in
12 providing assistance pursuant to this title based on the
13 performance standards contained in the agreements en-
14 tered into pursuant to section 1406(b)(1).

15 (b) **KEEPING RECORDS.**—Each participating juris-
16 diction shall keep such records as the Secretary may pre-
17 scribe as reasonably necessary to disclose the amounts and
18 the disposition of amounts provided pursuant to this title,
19 to ensure compliance with the requirements of this title
20 and to measure performance against the performance
21 goals under subsection (a).

22 (c) **REPORTS.**—Each participating jurisdiction agen-
23 cy shall submit to the Secretary a report, or series of re-
24 ports, in a form and at a time specified by the Secretary.
25 The reports shall—

1 (1) document the use of funds made available
2 under this title;

3 (2) provide such information as the Secretary
4 may request to assist the Secretary in assessing the
5 program under this title; and

6 (3) describe and analyze the effect of assisted
7 activities in addressing the purposes of this title.

8 (d) ACCESS TO DOCUMENTS BY SECRETARY.—The
9 Secretary shall have access for the purpose of audit and
10 examination to any books, documents, papers, and records
11 that are pertinent to assistance in connection with, and
12 the requirements of, this title.

13 (e) ACCESS TO DOCUMENTS BY COMPTROLLER GEN-
14 ERAL.—The Comptroller General of the United States, or
15 any of the duly authorized representatives of the Comp-
16 troller General, shall have access for the purpose of audit
17 and examination to any books, documents, papers, and
18 records that are pertinent to assistance in connection with,
19 and the requirements of, this title.

20 **SEC. 1409. DEFINITIONS.**

21 For purposes of this title, the following definitions
22 shall apply:

23 (1) JURISDICTION.—The term “jurisdiction”
24 means—

1 (A) a unit of general local government (as
2 such term is defined in section 104 of the Cran-
3 ston-Gonzalez National Affordable Housing
4 Act) that has boundaries, for purposes of carry-
5 ing out this title, that—

6 (i) wholly contain the area within
7 which a public housing agency is author-
8 ized to operate; and

9 (ii) do not contain any areas con-
10 tained within the boundaries of any other
11 participating jurisdiction; and

12 (B) a consortia of such units of general
13 local government, organized for purposes of this
14 title.

15 (2) PARTICIPATING JURISDICTION.—The term
16 “participating jurisdiction” means, with respect to a
17 period for which such approval is made, a jurisdic-
18 tion that has been approved under section
19 1406(b)(3) to receive assistance pursuant to this
20 title for such fiscal year.

1 **TITLE XV—ACCOUNTABILITY**
2 **AND OVERSIGHT OF PUBLIC**
3 **HOUSING AGENCIES**

4 **Subtitle A—Study of Alternative**
5 **Methods for Evaluating Public**
6 **Housing Agencies**

7 **SEC. 1501. IN GENERAL.**

8 The Secretary of Housing and Urban Development
9 shall provide under section 1505 for a study to be con-
10 ducted to determine the effectiveness of various alternative
11 methods of evaluating the performance of public housing
12 agencies and other providers of federally assisted housing.

13 **SEC. 1502. PURPOSES.**

14 The purposes of the study under this subtitle shall
15 be—

16 (1) to identify and examine various methods of
17 evaluating and improving the performance of public
18 housing agencies in administering public housing
19 and tenant-based rental assistance programs and of
20 other providers of federally assisted housing, which
21 are alternatives to oversight by the Department of
22 Housing and Urban Development; and

23 (2) to identify specific monitoring and oversight
24 activities currently conducted by the Department of
25 Housing and Urban Development that are insuffi-

1 cient or ineffective in accurately and efficiently as-
2 sessing the performance of public housing agencies
3 and other providers of federally assisted housing,
4 and to evaluate whether such activities should be
5 eliminated, modified, or transferred to other entities
6 (including government and private entities) to in-
7 crease accuracy and effectiveness and improve mon-
8 itoring.

9 **SEC. 1503. EVALUATION OF VARIOUS PERFORMANCE EVAL-**
10 **UATION SYSTEMS.**

11 To carry out the purpose under section 1502(1), the
12 study under this subtitle shall identify, and analyze and
13 assess the costs and benefits of, the following methods of
14 regulating and evaluating the performance of public hous-
15 ing agencies and other providers of federally assisted hous-
16 ing:

17 (1) **CURRENT SYSTEM.**—The system pursuant
18 to the United States Housing Act of 1937 (as in ef-
19 fect upon the enactment of this Act), including the
20 methods and requirements under such system for re-
21 porting, auditing, reviewing, sanctioning, and mon-
22 itoring of such agencies and housing providers and
23 the public housing management assessment program
24 pursuant to subtitle C of this title (and section 6(j))

1 of the United States Housing Act of 1937 (as in ef-
2 fect upon the enactment of this Act)).

3 (2) ACCREDITATION MODELS.—Various models
4 that are based upon accreditation of such agencies
5 and housing providers, subject to the following re-
6 quirements:

7 (A) The study shall identify and analyze
8 various models used in other industries and
9 professions for accreditation and determine the
10 extent of their applicability to the programs for
11 public housing and federally assisted housing.

12 (B) If any accreditation models are deter-
13 mined to be applicable to the public and feder-
14 ally assisted housing programs, the study shall
15 identify appropriate goals, objectives, and pro-
16 cedures for an accreditation program for such
17 agencies housing providers.

18 (C) The study shall evaluate the effective-
19 ness of establishing an independent accredita-
20 tion and evaluation entity to assist, supplement,
21 or replace the role of the Department of Hous-
22 ing and Urban Development in assessing and
23 monitoring the performance of such agencies
24 and housing providers.

1 (D) The study shall identify the necessary
2 and appropriate roles and responsibilities of
3 various entities that would be involved in an ac-
4 creditation program, including the Department
5 of Housing and Urban Development, the In-
6 spector General of the Department, an accredi-
7 tation entity, independent auditors and examin-
8 ers, local entities, and public housing agencies.

9 (E) The study shall determine the costs in-
10 volved in developing and maintaining such an
11 independent accreditation program.

12 (F) The study shall analyze the need for
13 technical assistance to assist public housing
14 agencies in improving performance and identify
15 the most effective methods to provide such as-
16 sistance.

17 (3) PERFORMANCE BASED MODELS.—Various
18 performance-based models, including systems that
19 establish performance goals or targets, assess the
20 compliance with such goals or targets, and provide
21 for incentives or sanctions based on performance rel-
22 ative to such goals or targets.

23 (4) LOCAL REVIEW AND MONITORING MOD-
24 ELS.—Various models providing for local, resident,
25 and community review and monitoring of such agen-

1 cies and housing providers, including systems for re-
2 view and monitoring by local and State govern-
3 mental bodies and agencies.

4 (5) PRIVATE MODELS.—Various models using
5 private contractors for review and monitoring of
6 such agencies and housing providers.

7 (6) OTHER MODELS.—Various models of any
8 other systems that may be more effective and effi-
9 cient in regulating and evaluating such agencies and
10 housing providers.

11 **SEC. 1504. CONSULTATION.**

12 The entity that, pursuant to section 1505, carries out
13 the study under this subtitle shall, in carrying out the
14 study, consult with individuals and organization experi-
15 enced in managing public housing, private real estate
16 managers, representatives from State and local govern-
17 ments, residents of public housing, families and individ-
18 uals receiving choice- or tenant-based assistance, the Sec-
19 retary of Housing and Urban Development, the Inspector
20 General of the Department of Housing and Urban Devel-
21 opment, and the Comptroller General of the United
22 States.

23 **SEC. 1505. CONTRACT TO CONDUCT STUDY.**

24 (a) IN GENERAL.—Subject to subsection (b), the Sec-
25 retary shall enter into a contract with a public or nonprofit

1 private entity to conduct the study under this subtitle,
2 using amounts made available pursuant to section 1507.

3 (b) NATIONAL ACADEMY OF PUBLIC ADMINISTRA-
4 TION.—The Secretary shall request the National Academy
5 of Public Administration to enter into the contract under
6 subsection (a) to conduct the study under this subtitle.
7 If such Academy declines to conduct the study, the Sec-
8 retary shall carry out such subsection through other public
9 or nonprofit private entities.

10 **SEC. 1506. REPORT.**

11 (a) INTERIM REPORT.—The Secretary shall ensure
12 that not later than the expiration of the 6-month period
13 beginning on the date of the enactment of this Act, the
14 entity conducting the study under this subtitle submits to
15 the Congress an interim report describing the actions
16 taken to carry out the study, the actions to be taken to
17 complete the study, and any findings and recommenda-
18 tions available at the time.

19 (b) FINAL REPORT.—The Secretary shall ensure
20 that—

21 (1) not later than the expiration of the 12-
22 month period beginning on the date of the enact-
23 ment of this Act, the study required under this sub-
24 title is completed and a report describing the find-

1 ings and recommendations as a result of the study
 2 is submitted to the Congress; and

3 (2) before submitting the report under this sub-
 4 section to the Congress, the report is submitted to
 5 the Secretary and national organizations for public
 6 housing agencies at such time to provide the Sec-
 7 retary and such agencies an opportunity to review
 8 the report and provide written comments on the re-
 9 port, which shall be included together with the re-
 10 report upon submission to the Congress under para-
 11 graph (1).

12 **SEC. 1507. FUNDING.**

13 Of any amounts made available under title V of the
 14 Housing and Urban Development Act of 1970 for policy
 15 development and research for fiscal year 1998, \$500,000
 16 shall be available to carry out this subtitle.

17 **SEC. 1508. EFFECTIVE DATE.**

18 This subtitle shall take effect on the date of the en-
 19 actment of this Act.

20 **Subtitle B—Housing Evaluation**
 21 **and Accreditation Board**

22 **SEC. 1521. ESTABLISHMENT.**

23 (a) IN GENERAL.—There is established an independ-
 24 ent agency in the executive branch of the Government to

1 be known as the Housing Foundation and Accreditation
2 Board (in this title referred to as the “Board”).

3 (b) REQUIREMENT FOR CONGRESSIONAL REVIEW OF
4 STUDY.—Notwithstanding any other provision of this divi-
5 sion, sections 1523, 1524, and 1525 shall not take effect
6 and the Board shall not have any authority to take any
7 action under such sections (or otherwise) unless there is
8 enacted a law specifically providing for the repeal of this
9 subsection. This subsection may not be construed to pre-
10 vent the appointment of the Board under section 1522.

11 (c) EFFECTIVE DATE.—This section shall take effect
12 on the date of the enactment of this Act.

13 **SEC. 1522. MEMBERSHIP.**

14 (a) IN GENERAL.—The Board shall be composed of
15 12 members appointed by the President not later than 180
16 days after the date of the final report regarding the study
17 required under subtitle A is submitted to the Congress
18 pursuant to section 1506(b), as follows:

19 (1) four members shall be appointed from
20 among 10 individuals recommended by the Secretary
21 of Housing and Urban Development.

22 (2) four members shall be appointed from
23 among 10 individuals recommended by the Chair-
24 man and Ranking Minority Member of the Commit-

1 tee on Banking, Housing, and Urban Affairs of the
2 Senate.

3 (3) four members appointed from among 10 in-
4 dividuals recommended by the Chairman and Rank-
5 ing Minority Member of the Committee on Banking
6 and Financial Services of the House of Representa-
7 tives.

8 (b) QUALIFICATIONS.—

9 (1) REQUIRED REPRESENTATION.—The Board
10 shall at all times have the following members:

11 (A) two members who are residents of pub-
12 lic housing or dwelling units assisted under title
13 XIII of this Act or the provisions of section 8
14 of the United States Housing Act of 1937 (as
15 in effect before the effective date of the repeal
16 under section 1601(b) of this Act).

17 (B) At least two, but not more than four
18 members who are executive directors of public
19 housing agencies.

20 (C) one member who is a member of the
21 Institute of Real Estate Managers.

22 (D) one member who is the owner of a
23 multifamily housing project assisted under a
24 program administered by the Secretary of
25 Housing and Urban Development.

1 (2) REQUIRED EXPERIENCE.—The Board shall
2 at all times have as members individuals with the
3 following experience:

4 (A) At least one individual who has exten-
5 sive experience in the residential real estate fi-
6 nance business.

7 (B) At least one individual who has exten-
8 sive experience in operating a nonprofit organi-
9 zation that provides affordable housing.

10 (C) At least one individual who has exten-
11 sive experience in construction of multifamily
12 housing.

13 (D) At least one individual who has exten-
14 sive experience in the management of a commu-
15 nity development corporation.

16 (E) At least one individual who has exten-
17 sive experience in auditing participants in gov-
18 ernment programs.

19 A single member of the board with the appropriate
20 experience may satisfy the requirements of more
21 than one subparagraph of this paragraph. A single
22 member of the board with the appropriate qualifica-
23 tions and experience may satisfy the requirements of
24 a subparagraph of paragraph (1) and a subpara-
25 graph of this paragraph.

1 (c) POLITICAL AFFILIATION.—Not more than six
2 members of the Board may be of the same political party.

3 (d) TERMS.—

4 (1) IN GENERAL.—Each member of the Board
5 shall be appointed for a term of 4 years, except as
6 provided in paragraphs (2) and (3).

7 (2) TERMS OF INITIAL APPOINTEES.—As des-
8 ignated by the President at the time of appointment,
9 of the members first appointed—

10 (A) three shall be appointed for terms of
11 1 year;

12 (B) three shall be appointed for terms of
13 2 years;

14 (C) three shall be appointed for terms of 3
15 years; and

16 (D) three shall be appointed for terms of
17 4 years.

18 (3) VACANCIES.—Any member appointed to fill
19 a vacancy occurring before the expiration of the
20 term for which the member's predecessor was ap-
21 pointed shall be appointed only for the remainder of
22 that term. A member may serve after the expiration
23 of that member's term until a successor has taken
24 office. A vacancy in the Board shall be filled in the

1 manner in which the original appointment was
2 made.

3 (e) CHAIRPERSON.—The Board shall elect a chair-
4 person from among members of the Board.

5 (f) QUORUM.—A majority of the members of the
6 Board shall constitute a quorum for the transaction of
7 business.

8 (g) VOTING.—Each member of the Board shall be en-
9 titled to one vote, which shall be equal to the vote of every
10 other member of the Board.

11 (h) PROHIBITION ON ADDITIONAL PAY.—Members of
12 the Board shall serve without compensation, but shall be
13 reimbursed for travel, subsistence, and other necessary ex-
14 penses incurred in the performance of their duties as
15 members of the Board.

16 **SEC. 1523. FUNCTIONS.**

17 The purpose of this subtitle is to establish the Board
18 as a nonpolitical entity to carry out, not later than the
19 expiration of the 12-month period beginning upon the ap-
20 pointment under section 1522 of all of the initial members
21 of the Board (or such other date as may be provided by
22 law), the following functions:

23 (1) ESTABLISHMENT OF PERFORMANCE
24 BENCHMARKS.—The Board shall establish standards
25 and guidelines for use by the Board in measuring

1 the performance and efficiency of public housing
2 agencies and other owners and providers of federally
3 assisted housing in carrying out operational and fi-
4 nancial functions. The standards and guidelines
5 shall be designed to replace the public housing man-
6 agement assessment program under section 6(j) of
7 the United States Housing Act of 1937 (as in effect
8 before the enactment of this Act) and improve the
9 evaluation of the performance of housing providers
10 relative to such program. In establishing such stand-
11 ards and guidelines, the Board shall consult with the
12 Secretary, the Inspector General of the Department
13 of Housing and Urban Development, and such other
14 persons and entities as the Board considers appro-
15 priate.

16 (2) ESTABLISHMENT OF ACCREDITATION PRO-
17 CEDURE AND ACCREDITATION.—The Board shall—

18 (A) establish a procedure for the Board to
19 accredit public housing agencies to receive block
20 grants under title XII for the operation, main-
21 tenance, and production of public housing and
22 amounts for housing assistance under title
23 XIII, based on the performance of agencies, as
24 measured by the performance benchmarks es-

1 tablished under paragraph (1) and any audits
2 and reviews of agencies; and

3 (B) commence the review and accreditation
4 of public housing agencies under the procedures
5 established under subparagraph (A).

6 In carrying out the functions under this section, the Board
7 shall take into consideration the findings and rec-
8 ommendations contained in the report issued under sec-
9 tion 1506(b).

10 **SEC. 1524. POWERS.**

11 (a) HEARINGS.—The Board may, for the purpose of
12 carrying out this subtitle, hold such hearings and sit and
13 act at such times and places as the Board determines ap-
14 propriate.

15 (b) RULES AND REGULATIONS.—The Board may
16 adopt such rules and regulations as may be necessary to
17 establish its procedures and to govern the manner of its
18 operations, organization, and personnel.

19 (c) ASSISTANCE FROM FEDERAL AGENCIES.—

20 (1) INFORMATION.—The Board may secure di-
21 rectly from any department or agency of the Federal
22 Government such information as the Board may re-
23 quire for carrying out its functions, including public
24 housing agency plans submitted to the Secretary by
25 public housing agencies under title XI. Upon request

1 of the Board, any such department or agency shall
2 furnish such information.

3 (2) GENERAL SERVICES ADMINISTRATION.—

4 The Administrator of General Services shall provide
5 to the Board, on a reimbursable basis, such adminis-
6 trative support services as the Board may request.

7 (3) DEPARTMENT OF HOUSING AND URBAN DE-
8 VELOPMENT.—Upon the request of the chairperson
9 of the Board, the Secretary of Housing and Urban
10 Development shall, to the extent possible and subject
11 to the discretion of the Secretary, detail any of the
12 personnel of the Department of Housing and Urban
13 Development, on a nonreimbursable basis, to assist
14 the Board in carrying out its functions under this
15 subtitle.

16 (4) HUD INSPECTOR GENERAL.—The Inspector
17 General of the Department of Housing and Urban
18 Development shall serve the Board as a principal ad-
19 viser with respect to all aspects of audits of public
20 housing agencies. The Inspector General may advise
21 the Board with respect to other activities and func-
22 tions of the Board.

23 (d) MAILS.—The Board may use the United States
24 mails in the same manner and under the same conditions
25 as other Federal agencies.

1 (e) CONTRACTING.—The Board may, to such extent
2 and in such amounts as are provided in appropriation
3 Acts, enter into contracts with private firms, institutions,
4 and individuals for the purpose of conducting evaluations
5 of public housing agencies, audits of public housing agen-
6 cies, and research and surveys necessary to enable the
7 Board to discharge its functions under this subtitle.

8 (f) STAFF.—

9 (1) EXECUTIVE DIRECTOR.—The Board shall
10 appoint an executive director of the Board, who shall
11 be compensated at a rate fixed by the Board, but
12 which shall not exceed the rate established for level
13 V of the Executive Schedule under title 5, United
14 States Code.

15 (2) OTHER PERSONNEL.—In addition to the ex-
16 ecutive director, the Board may appoint and fix the
17 compensation of such personnel as the Board consid-
18 ers necessary, in accordance with the provisions of
19 title 5, United States Code, governing appointments
20 to the competitive service, and the provisions of
21 chapter 51 and subchapter III of chapter 53 of such
22 title, relating to classification and General Schedule
23 pay rates.

24 (g) ACCESS TO DOCUMENTS.—The Board shall have
25 access for the purposes of carrying out its functions under

1 this subtitle to any books, documents, papers, and records
2 of a public housing agency to which the Secretary has ac-
3 cess under this division.

4 **SEC. 1525. FEES.**

5 (a) ACCREDITATION FEES.—The Board may estab-
6 lish and charge reasonable fees for the accreditation of
7 public housing agencies as the Board considers necessary
8 to cover the costs of the operations of the Board relating
9 to its functions under section 1523.

10 (b) FUND.—Any fees collected under this section
11 shall be deposited in an operations fund for the Board,
12 which is hereby established in the Treasury of the United
13 States. Amounts in such fund shall be available, to the
14 extent provided in appropriation Acts, for the expenses of
15 the Board in carrying out its functions under this subtitle.

16 **SEC. 1526. GAO AUDIT.**

17 The activities and transactions of the Board shall be
18 subject to audit by the Comptroller General of the United
19 States under such rules and regulations as may be pre-
20 scribed by the Comptroller General. The representatives
21 of the General Accounting Office shall have access for the
22 purpose of audit and examination to any books, docu-
23 ments, papers, and records of the Board that are nec-
24 essary to facilitate an audit.

1 **Subtitle C—Interim Applicability of**
2 **Public Housing Management As-**
3 **essment Program**

4 **SEC. 1531. INTERIM APPLICABILITY.**

5 This subtitle shall be effective only during the period
6 that begins on the effective date of this division and ends
7 upon the date of the effectiveness of the standards and
8 procedures required under section 1523.

9 **SEC. 1532. MANAGEMENT ASSESSMENT INDICATORS.**

10 (a) ESTABLISHMENT.—The Secretary shall develop
11 and publish in the Federal Register indicators to assess
12 the management performance of public housing agencies
13 and other entities managing public housing (including
14 resident management corporations, independent managers
15 pursuant to section 1236, and management entities pursu-
16 ant to subtitle D). The indicators shall be established by
17 rule under section 553 of title 5, United States Code. Such
18 indicators shall enable the Secretary to evaluate the per-
19 formance of public housing agencies and such other man-
20 agers of public housing in all major areas of management
21 operations.

22 (b) CONTENT.—The management assessment indica-
23 tors shall include the following indicators:

24 (1) The number and percentage of vacancies
25 within an agency's or manager's inventory, including

1 the progress that an agency or manager has made
2 within the previous 3 years to reduce such vacancies.

3 (2) The amount and percentage of funds obli-
4 gated to the public housing agency or manager from
5 the capital fund or under section 14 of the United
6 States Housing Act of 1937 (as in effect before the
7 effective date of the repeal under section 1601(b) of
8 this Act), which remain unexpended after 3 years.

9 (3) The percentage of rents uncollected.

10 (4) The energy consumption (with appropriate
11 adjustments to reflect different regions and unit
12 sizes).

13 (5) The average period of time that an agency
14 or manager requires to repair and turn-around va-
15 cant dwelling units.

16 (6) The proportion of maintenance work orders
17 outstanding, including any progress that an agency
18 or manager has made during the preceding 3 years
19 to reduce the period of time required to complete
20 maintenance work orders.

21 (7) The percentage of dwelling units that an
22 agency or manager fails to inspect to ascertain
23 maintenance or modernization needs within such pe-
24 riod of time as the Secretary deems appropriate

1 (with appropriate adjustments, if any, for large and
2 small agencies or managers).

3 (8) The extent to which the rent policies of any
4 public housing agency establishing rental amounts in
5 accordance with section 1225(b) comply with the re-
6 quirement under section 1225(c).

7 (9) Whether the agency is providing acceptable
8 basic housing conditions, as determined by the Sec-
9 retary.

10 (10) Whether the agency has conducted and
11 regularly updated an assessment to identify any pest
12 control problems in the public housing owned or op-
13 erated by the agency and the extent to which the
14 agency is effective in carrying out a strategy to
15 eradicate or control such problems, which assess-
16 ment and strategy shall be included in the local
17 housing management plan for the agency under sec-
18 tion 1106.

19 (11) Any other factors as the Secretary deems
20 appropriate.

21 (c) CONSIDERATIONS IN EVALUATION.—The Sec-
22 retary shall—

23 (1) administer the system of evaluating public
24 housing agencies and managers flexibly to ensure

1 that agencies and managers are not penalized as re-
2 sult of circumstances beyond their control;

3 (2) reflect in the weights assigned to the var-
4 ious management assessment indicators the dif-
5 ferences in the difficulty of managing individual de-
6 velopments that result from their physical condition
7 and their neighborhood environment; and

8 (3) determine a public housing agency's or
9 manager's status as "troubled with respect to mod-
10 ernization" under section 1533(b) based upon fac-
11 tors solely related to its ability to carry out mod-
12 ernization activities.

13 **SEC. 1533. DESIGNATION OF PHA'S.**

14 (a) TROUBLED PHA'S.—The Secretary shall, under
15 the rulemaking procedures under section 553 of title 5,
16 United States Code, establish procedures for designating
17 troubled public housing agencies and managers, which
18 procedures shall include identification of serious and sub-
19 stantial failure to perform as measured by (1) the per-
20 formance indicators specified under section 1532 and such
21 other factors as the Secretary may deem to be appropriate;
22 or (2) such other evaluation system as is determined by
23 the Secretary to assess the condition of the public housing
24 agency or other entity managing public housing, which
25 system may be in addition to or in lieu of the performance

1 indicators established under section 1532. Such proce-
2 dures shall provide that an agency that does not provide
3 acceptable basic housing conditions shall be designated a
4 troubled public housing agency.

5 (b) AGENCIES TROUBLED WITH RESPECT TO CAP-
6 ITAL ACTIVITIES.—The Secretary shall designate, by rule
7 under section 553 of title 5, United States Code, agencies
8 and managers that are troubled with respect to capital ac-
9 tivities.

10 (c) AGENCIES AT RISK OF BECOMING TROUBLED.—
11 The Secretary shall designate, by rule under section 553
12 of title 5, United States Code, agencies and managers that
13 are at risk of becoming troubled.

14 (d) EXEMPLARY AGENCIES.—The Secretary may
15 also, in consultation with national organizations represent-
16 ing public housing agencies and managers and public offi-
17 cials (as the Secretary determines appropriate), identify
18 and commend public housing agencies and managers that
19 meet the performance standards established under section
20 1532 in an exemplary manner.

21 (e) APPEAL OF DESIGNATION.—The Secretary shall
22 establish procedures for public housing agencies and man-
23 agers to appeal designation as a troubled agency or man-
24 ager (including designation as a troubled agency or man-
25 ager for purposes of capital activities), to petition for re-

1 moval of such designation, and to appeal any refusal to
2 remove such designation.

3 **SEC. 1534. ON-SITE INSPECTION OF TROUBLED PHA'S.**

4 (a) IN GENERAL.—Upon designating a public hous-
5 ing agency or manager as troubled pursuant to section
6 1533 and determining that an assessment under this sec-
7 tion will not duplicate any other review previously con-
8 ducted or required to be conducted of the agency or man-
9 ager, the Secretary shall provide for an on-site, independ-
10 ent assessment of the management of the agency or man-
11 ager.

12 (b) CONTENT.—To the extent the Secretary deems
13 appropriate (taking into consideration an agency's or
14 manager's performance under the indicators specified
15 under section 1532, the assessment team shall also con-
16 sider issues relating to the agency's or manager's resident
17 population and physical inventory, including the extent to
18 which—

19 (1) the public housing agency plan for the agen-
20 cy or manager adequately and appropriately address-
21 es the rehabilitation needs of the public housing in-
22 ventory;

23 (2) residents of the agency or manager are in-
24 volved in and informed of significant management
25 decisions; and

1 (3) any developments in the agency's or man-
2 ager's inventory are severely distressed (as such
3 term is defined under section 1262.

4 (c) INDEPENDENT ASSESSMENT TEAM.—An inde-
5 pendent assessment under this section shall be carried out
6 by a team of knowledgeable individuals selected by the
7 Secretary (referred to in this title as the “assessment
8 team”) with expertise in public housing and real estate
9 management. In conducting an assessment, the assess-
10 ment team shall consult with the residents and with public
11 and private entities in the jurisdiction in which the public
12 housing is located. The assessment team shall provide to
13 the Secretary and the public housing agency or manager
14 a written report, which shall contain, at a minimum, rec-
15 ommendations for such management improvements as are
16 necessary to eliminate or substantially remedy existing de-
17 ficiencies.

18 **SEC. 1535. ADMINISTRATION.**

19 (a) PHA's.—The Secretary shall carry out this sub-
20 title with respect to public housing agencies substantially
21 in the same manner as the public housing management
22 assessment system under section 6(j) of the United States
23 Housing Act of 1937 (as in effect immediately before the
24 effective date of the repeal under section 1601(b) of this
25 Act) was required to be carried out with respect to public

1 housing agencies. The Secretary may comply with the re-
2 quirements under this subtitle by using any regulations
3 issued to carry out such system and issuing any additional
4 regulations necessary to make such system comply with
5 the requirements under this subtitle.

6 (b) OTHER MANAGERS.—The Secretary shall estab-
7 lish specific standards and procedures for carrying out this
8 subtitle with respect to managers of public housing that
9 are not public housing agencies. Such standards and pro-
10 cedures shall take in consideration special circumstances
11 relating to entities hired, directed, or appointed to manage
12 public housing.

13 **Subtitle D—Accountability and**
14 **Oversight Standards and Proce-**
15 **dures**

16 **SEC. 1541. AUDITS.**

17 (a) BY SECRETARY AND COMPTROLLER GENERAL.—
18 Each block grant contract under section 1201 and each
19 contract for housing assistance amounts under section
20 1302 shall provide that the Secretary, the Inspector Gen-
21 eral of the Department of Housing and Urban Develop-
22 ment, and the Comptroller General of the United States,
23 or any of their duly authorized representatives, shall, for
24 the purpose of audit and examination, have access to any
25 books, documents, papers, and records of the public hous-

1 ing agency (or other entity) entering into such contract
2 that are pertinent to this division and to its operations
3 with respect to financial assistance under this division.

4 (b) BY PHA.—

5 (1) REQUIREMENT.—Each public housing agen-
6 cy that owns or operates 250 or more public housing
7 dwelling units and receives assistance under this di-
8 vision shall have an audit made in accordance with
9 chapter 75 of title 31, United States Code. The Sec-
10 retary, the Inspector General of the Department of
11 Housing and Urban Development, and the Comp-
12 troller General of the United States shall have ac-
13 cess to all books, documents, papers, or other
14 records that are pertinent to the activities carried
15 out under this division in order to make audit ex-
16 aminations, excerpts, and transcripts.

17 (2) WITHHOLDING OF AMOUNTS.—The Sec-
18 retary may, in the sole discretion of the Secretary,
19 arrange for, and pay the costs of, an audit required
20 under paragraph (1). In such circumstances, the
21 Secretary may withhold, from assistance otherwise
22 payable to the agency under this division, amounts
23 sufficient to pay for the reasonable costs of conduct-
24 ing an acceptable audit, including, when appropriate,
25 the reasonable costs of accounting services necessary

1 to place the agency's books and records in auditable
2 condition.

3 **SEC. 1542. PERFORMANCE AGREEMENTS FOR AUTHORI-**
4 **TIES AT RISK OF BECOMING TROUBLED.**

5 (a) IN GENERAL.—Upon designation of a public
6 housing agency as at risk of becoming troubled under sec-
7 tion 1533(c), the Secretary shall seek to enter into an
8 agreement with the agency providing for improvement of
9 the elements of the agency that have been identified. An
10 agreement under this section shall contain such terms and
11 conditions as the Secretary determines are appropriate for
12 addressing the elements identified, which may include an
13 on-site, independent assessment of the management of the
14 agency.

15 (b) POWERS OF SECRETARY.—If the Secretary deter-
16 mines that such action is necessary to prevent the public
17 housing agency from becoming a troubled agency, the Sec-
18 retary may—

19 (1) solicit competitive proposals from other pub-
20 lic housing agencies and private housing manage-
21 ment agents (which may be selected by existing ten-
22 ants through administrative procedures established
23 by the Secretary), for any case in which such agents
24 may be needed for managing all, or part, of the
25 housing or functions administered by the agency; or

1 (2) solicit competitive proposals from other pub-
2 lic housing agencies and private entities with experi-
3 ence in construction management, for any case in
4 which such authorities or firms may be needed to
5 oversee implementation of assistance made available
6 for capital improvement for public housing of the
7 agency.

8 **SEC. 1543. PERFORMANCE AGREEMENTS AND CDBG SANC-**
9 **TIONS FOR TROUBLED PHA'S.**

10 (a) IN GENERAL.—Upon designation of a public
11 housing agency as a troubled agency under section
12 1533(a) and after reviewing the report submitted pursu-
13 ant to section 1534(c) and consulting with the assessment
14 team for the agency under section 1534, the Secretary
15 shall seek to enter into an agreement with the agency pro-
16 viding for improving the management performance of the
17 agency.

18 (b) CONTENTS.—An agreement under this section be-
19 tween the Secretary and a public housing agency shall set
20 forth—

21 (1) targets for improving performance, as meas-
22 ured by the guidelines and standards established
23 under section 1532 and other requirements within a
24 specified period of time, which shall include targets

1 to be met upon the expiration of the 12-month pe-
2 riod beginning upon entering into the agreement;

3 (2) strategies for meeting such targets;

4 (3) sanctions for failure to implement such
5 strategies; and

6 (4) to the extent the Secretary deems appro-
7 priate, a plan for enhancing resident involvement in
8 the management of the public housing agency.

9 (c) LOCAL ASSISTANCE IN IMPLEMENTATION.—The
10 Secretary and the public housing agency shall, to the max-
11 imum extent practicable, seek the assistance of local public
12 and private entities in carrying out an agreement under
13 this section.

14 (d) DEFAULT UNDER PERFORMANCE AGREE-
15 MENT.—Upon the expiration of the 12-month period be-
16 ginning upon entering into an agreement under this sec-
17 tion with a public housing agency, the Secretary shall re-
18 view the performance of the agency in relation to the per-
19 formance targets and strategies under the agreement. If
20 the Secretary determines that the agency has failed to
21 comply with the performance targets established for such
22 period, the Secretary shall take the action authorized
23 under subsection (b)(2) or (b)(5) of section 1545.

24 (e) CDBG SANCTION AGAINST LOCAL GOVERNMENT
25 CONTRIBUTING TO TROUBLED STATUS OF PHA.—If the

1 Secretary determines that the actions or inaction of any
2 unit of general local government within which any portion
3 of the jurisdiction of a public housing agency is located
4 has substantially contributed to the conditions resulting
5 in the agency being designated under section 1533(a) as
6 a troubled agency, the Secretary may redirect or withhold,
7 from such unit of general local government any amounts
8 allocated for such unit under section 106 of the Housing
9 and Community Development Act of 1974.

10 **SEC. 1544. OPTION TO DEMAND CONVEYANCE OF TITLE TO**
11 **OR POSSESSION OF PUBLIC HOUSING.**

12 (a) **AUTHORITY FOR CONVEYANCE.**—A contract
13 under section 1201 for block grants under title XII (in-
14 cluding contracts which amend or supersede contracts pre-
15 viously made (including contracts for contributions)) may
16 provide that upon the occurrence of a substantial default
17 with respect to the covenants or conditions to which the
18 public housing agency is subject (as such substantial de-
19 fault shall be defined in such contract), the public housing
20 agency shall be obligated, at the option of the Secretary,
21 to—

22 (1) convey title in any case where, in the deter-
23 mination of the Secretary (which determination shall
24 be final and conclusive), such conveyance of title is
25 necessary to achieve the purposes of this division; or

1 (2) deliver to the Secretary possession of the
2 development, as then constituted, to which such con-
3 tract relates.

4 (b) OBLIGATION TO RECONVEY.—Any block grant
5 contract under title XII containing the provisions author-
6 ized in subsection (a) shall also provide that the Secretary
7 shall be obligated to reconvey or redeliver possession of
8 the development, as constituted at the time of reconvey-
9 ance or redelivery, to such public housing agency or to
10 its successor (if such public housing agency or a successor
11 exists) upon such terms as shall be prescribed in such con-
12 tract, and as soon as practicable after—

13 (1) the Secretary is satisfied that all defaults
14 with respect to the development have been cured,
15 and that the development will, in order to fulfill the
16 purposes of this division, thereafter be operated in
17 accordance with the terms of such contract; or

18 (2) the termination of the obligation to make
19 annual block grants to the agency, unless there are
20 any obligations or covenants of the agency to the
21 Secretary which are then in default.

22 Any prior conveyances and reconveyances or deliveries and
23 redeliveries of possession shall not exhaust the right to re-
24 quire a conveyance or delivery of possession of the develop-

1 ment to the Secretary pursuant to subsection (a) upon the
2 subsequent occurrence of a substantial default.

3 (c) CONTINUED GRANTS FOR REPAYMENT OF BONDS
4 AND NOTES UNDER 1937 ACT.—If—

5 (1) a contract for block grants under title XII
6 for an agency includes provisions that expressly
7 state that the provisions are included pursuant to
8 this subsection, and

9 (2) the portion of the block grant payable for
10 debt service requirements pursuant to the contract
11 has been pledged by the public housing agency as se-
12 curity for the payment of the principal and interest
13 on any of its obligations, then—

14 (A) the Secretary shall (notwithstanding
15 any other provisions of this division), continue
16 to make the block grant payments for the agen-
17 cy so long as any of such obligations remain
18 outstanding; and

19 (B) the Secretary may covenant in such a
20 contract that in any event such block grant
21 amounts shall in each year be at least equal to
22 an amount which, together with such income or
23 other funds as are actually available from the
24 development for the purpose at the time such
25 block grant payments are made, will suffice for

1 the payment of all installments of principal and
2 interest on the obligations for which the
3 amounts provided for in the contract shall have
4 been pledged as security that fall due within the
5 next succeeding 12 months.

6 In no case shall such block grant amounts be in excess
7 of the maximum sum specified in the contract involved,
8 nor for longer than the remainder of the maximum period
9 fixed by the contract.

10 **SEC. 1545. REMOVAL OF INEFFECTIVE PHA'S.**

11 (a) CONDITIONS OF REMOVAL.—The actions speci-
12 fied in subsection (b) may be taken only upon—

13 (1) the occurrence of events or conditions that
14 constitute a substantial default by a public housing
15 agency with respect to (A) the covenants or condi-
16 tions to which the public housing agency is subject,
17 or (B) an agreement entered into under section
18 1543; or

19 (2) submission to the Secretary of a petition by
20 the residents of the public housing owned or oper-
21 ated by a public housing agency that is designated
22 as troubled pursuant to section 1533(a).

23 (b) REMOVAL ACTIONS.—Notwithstanding any other
24 provision of law or of any block grant contract under title

1 XII or any grant agreement under title XIII, in accord-
2 ance with subsection (a), the Secretary may—

3 (1) solicit competitive proposals from other pub-
4 lic housing agencies and private housing manage-
5 ment agents (which, in the discretion of the Sec-
6 retary, may be selected by existing public housing
7 residents through administrative procedures estab-
8 lished by the Secretary) and, if appropriate, provide
9 for such agents to manage all, or part, of the hous-
10 ing administered by the public housing agency or all
11 or part of the other functions of the agency;

12 (2) take possession of the public housing agen-
13 cy, including any developments or functions of the
14 agency under any section of this division;

15 (3) solicit competitive proposals from other pub-
16 lic housing agencies and private entities with experi-
17 ence in construction management and, if appro-
18 priate, provide for such authorities or firms to over-
19 see implementation of assistance made available for
20 capital improvements for public housing;

21 (4) require the agency to make other arrange-
22 ments acceptable to the Secretary and in the best in-
23 terests of the public housing residents and assisted
24 families under title XIII for managing all, or part

1 of, the public housing administered by the agency or
2 the functions of the agency; or

3 (5) petition for the appointment of a receiver
4 for the public housing agency to any district court
5 of the United States or to any court of the State in
6 which any portion of the jurisdiction of the public
7 housing agency is located, that is authorized to ap-
8 point a receiver for the purposes and having the
9 powers prescribed in this section.

10 (c) EMERGENCY ASSISTANCE.—The Secretary may
11 make available to receivers and other entities selected or
12 appointed pursuant to this section such assistance as is
13 fair and reasonable to remedy the substantial deteriora-
14 tion of living conditions in individual public housing devel-
15 opments or other related emergencies that endanger the
16 health, safety and welfare of public housing residents or
17 assisted families under title XIII.

18 (d) POWERS OF SECRETARY.—If the Secretary takes
19 possession of an agency, or any developments or functions
20 of an agency, pursuant to subsection (b)(2), the Sec-
21 retary—

22 (1) may abrogate contracts that substantially
23 impede correction of the substantial default or im-
24 provement of the classification, but only after efforts
25 to renegotiate such contracts have failed and the

1 Secretary has made a written determination regard-
2 ing such abrogation, which shall be available to the
3 public upon request, identify such contracts, and ex-
4 plain the determination that such contracts may be
5 abrogated;

6 (2) may demolish and dispose of assets of the
7 agency in accordance with section 1261;

8 (3) where determined appropriate by the Sec-
9 retary, may require the establishment of one or more
10 new public housing agencies;

11 (4) may consolidate the agency into other well-
12 managed public housing agencies with the consent of
13 such well-managed authorities;

14 (5) shall not be subject to any State or local
15 laws relating to civil service requirements, employee
16 rights, procurement, or financial or administrative
17 controls that, in the determination of the Secretary,
18 substantially impede correction of the substantial de-
19 fault or improvement of the classification, but only
20 if the Secretary has made a written determination
21 regarding such inapplicability, which shall be avail-
22 able to the public upon request, identify such inap-
23 plicable laws, and explain the determination that
24 such laws impede such correction; and

1 (6) shall have such additional authority as a
2 district court of the United States has the authority
3 to confer under like circumstances upon a receiver to
4 achieve the purposes of the receivership.

5 The Secretary may appoint, on a competitive or non-
6 competitive basis, an individual or entity as an administra-
7 tive receiver to assume the Secretary's responsibility under
8 this paragraph for the administration of a public housing
9 agency. The Secretary may delegate to the administrative
10 receiver any or all of the powers of the Secretary under
11 this subsection. Regardless of any delegation under this
12 subsection, an administrative receiver may not require the
13 establishment of one or more new public housing agencies
14 pursuant to paragraph (3) unless the Secretary first ap-
15 proves such establishment. For purposes of this sub-
16 section, the term "public housing agency" includes any de-
17 velopments or functions of a public housing agency under
18 any section of this title.

19 (e) RECEIVERSHIP.—

20 (1) REQUIRED APPOINTMENT.—In any proceed-
21 ing under subsection (b)(5), upon a determination
22 that a substantial default has occurred, and without
23 regard to the availability of alternative remedies, the
24 court shall appoint a receiver to conduct the affairs
25 of the public housing agency in a manner consistent

1 with this division and in accordance with such fur-
2 ther terms and conditions as the court may provide.
3 The receiver appointed may be another public hous-
4 ing agency, a private management corporation, the
5 Secretary, or any other appropriate entity. The court
6 shall have power to grant appropriate temporary or
7 preliminary relief pending final disposition of the pe-
8 tition by the Secretary.

9 (2) POWERS OF RECEIVER.—If a receiver is ap-
10 pointed for a public housing agency pursuant to sub-
11 section (b)(5), in addition to the powers accorded by
12 the court appointing the receiver, the receiver—

13 (A) may abrogate contracts that substan-
14 tially impede correction of the substantial de-
15 fault or improvement of the classification, but
16 only after bona fide efforts to renegotiate such
17 contracts have failed and the receiver has made
18 a written determination regarding such abroga-
19 tion, which shall be available to the public upon
20 request, identify such contracts, and explain the
21 determination that such contracts may be abro-
22 gated;

23 (B) may demolish and dispose of assets of
24 the agency in accordance with section 1261;

1 (C) where determined appropriate by the
2 Secretary, may require the establishment of one
3 or more new public housing agencies, to the ex-
4 tent permitted by State and local law; and

5 (D) except as provided in subparagraph
6 (C), shall not be subject to any State or local
7 laws relating to civil service requirements, em-
8 ployee rights, procurement, or financial or ad-
9 ministrative controls that, in the determination
10 of the receiver, substantially impede correction
11 of the substantial default or improvement of the
12 classification, but only if the receiver has made
13 a written determination regarding such inappli-
14 cability, which shall be available to the public
15 upon request, identify such inapplicable laws,
16 and explain the determination that such laws
17 impede such correction.

18 For purposes of this paragraph, the term “public
19 housing agency” includes any developments or func-
20 tions of a public housing agency under any section
21 of this title.

22 (3) TERMINATION.—The appointment of a re-
23 ceiver pursuant to this subsection may be termi-
24 nated, upon the petition of any party, when the
25 court determines that all defaults have been cured or

1 the public housing agency will be able to make the
2 same amount of progress in correcting the manage-
3 ment of the housing as the receiver.

4 (f) LIABILITY.—If the Secretary takes possession of
5 an agency pursuant to subsection (b)(2) or a receiver is
6 appointed pursuant to subsection (b)(5) for a public hous-
7 ing agency, the Secretary or the receiver shall be deemed
8 to be acting in the capacity of the public housing agency
9 (and not in the official capacity as Secretary or other offi-
10 cial) and any liability incurred shall be a liability of the
11 public housing agency.

12 (g) EFFECTIVENESS.—The provisions of this section
13 shall apply with respect to actions taken before, on, or
14 after the effective date of this division and shall apply to
15 any receivers appointed for a public housing agency before
16 the effective date of this division.

17 **SEC. 1546. MANDATORY TAKEOVER OF CHRONICALLY**
18 **TROUBLED PHA'S.**

19 (a) REMOVAL OF AGENCY.—Notwithstanding any
20 other provision of this division, not later than the expira-
21 tion of the 180-day period beginning on the effective date
22 of this division, the Secretary shall take one of the follow-
23 ing actions with respect to each chronically troubled public
24 housing agency:

1 (1) CONTRACTING FOR MANAGEMENT.—Solicit
2 competitive proposals for the management of the
3 agency pursuant to section 1545(b)(1) and replace
4 the management of the agency pursuant to selection
5 of such a proposal.

6 (2) TAKEOVER.—Take possession of the agency
7 pursuant to section 1545(b)(2).

8 (3) PETITION FOR RECEIVER.—Petition for the
9 appointment of a receiver for the agency pursuant to
10 section 1545(b)(5).

11 (b) DEFINITION.—For purposes of this section, the
12 term “chronically troubled public housing agency” means
13 a public housing agency that, as of the effective date of
14 this division, is designated under section 6(j)(2) of the
15 United States Housing Act of 1937 (as in effect imme-
16 diately before the effective date of the repeal under section
17 1601(b) of this Act) as a troubled public housing agency
18 and has been so designated continuously for the 3-year
19 period ending upon the effective date of this division; ex-
20 cept that such term does not include any agency that owns
21 or operates less than 1250 public housing dwelling units
22 and that the Secretary determines can, with a reasonable
23 amount of effort, make such improvements or remedies
24 as may be necessary to remove its designation as troubled
25 within 12 months.

1 **SEC. 1547. TREATMENT OF TROUBLED PHA'S.**

2 (a) EFFECT OF TROUBLED STATUS ON CHAS.—The
3 comprehensive housing affordability strategy (or any con-
4 solidated plan incorporating such strategy) for the State
5 or unit of general local government in which any troubled
6 public housing agency is located shall not be considered
7 to comply with the requirements under section 105 of the
8 Cranston-Gonzalez National Affordable Housing Act un-
9 less such plan includes a description of the manner in
10 which the State or unit will assist such troubled agency
11 in improving its operations to remove such designation.

12 (b) DEFINITION.—For purposes of this section, the
13 term “troubled public housing agency” means a public
14 housing agency that—

15 (1) upon the effective date of this division, is
16 designated under section 6(j)(2) of the United
17 States Housing Act of 1937 (as in effect imme-
18 diately before the effective date of the repeal under
19 section 1601(b) of this Act) as a troubled public
20 housing agency; and

21 (2) is not a chronically troubled public housing
22 agency, as such term is defined in section 1546(b)
23 of this Act.

24 **SEC. 1548. MAINTENANCE OF RECORDS.**

25 Each public housing agency shall keep such records
26 as may be reasonably necessary to disclose the amount

1 and the disposition by the agency of the proceeds of assist-
2 ance received pursuant to this division and to ensure com-
3 pliance with the requirements of this division.

4 **SEC. 1549. ANNUAL REPORTS REGARDING TROUBLED**
5 **PHA'S.**

6 The Secretary shall submit a report to the Congress
7 annually, as a part of the report of the Secretary under
8 section 8 of the Department of Housing and Urban Devel-
9 opment Act, that—

10 (1) identifies the public housing agencies that
11 are designated under section 1533 as troubled or at-
12 risk of becoming troubled and the reasons for such
13 designation; and

14 (2) describes any actions that have been taken
15 in accordance with sections 1542, 1543, 1544, and
16 1545.

17 **SEC. 1550. APPLICABILITY TO RESIDENT MANAGEMENT**
18 **CORPORATIONS.**

19 The Secretary shall apply the provisions of this sub-
20 title to resident management corporations in the same
21 manner as applied to public housing agencies.

22 **SEC. 1551. ADVISORY COUNCIL FOR HOUSING AUTHORITY**
23 **OF NEW ORLEANS.**

24 (a) ESTABLISHMENT.—The Secretary and the Hous-
25 ing Authority of New Orleans (in this section referred to

1 as the “Housing Authority”) shall, pursuant to the coop-
2 erative endeavor agreement in effect between the Sec-
3 retary and the Housing Authority, establish an advisory
4 council for the Housing Authority of New Orleans (in this
5 section referred to as the “advisory council”) that com-
6 plies with the requirements of this section.

7 (b) MEMBERSHIP.—

8 (1) IN GENERAL.—The advisory council shall be
9 appointed by the Secretary, not later than 90 days
10 after the date of the enactment of this Act, and shall
11 be composed of the following members:

12 (A) The Inspector General of the Depart-
13 ment of Housing and Urban Development (or
14 the Inspector General’s designee).

15 (B) Not more than 7 other members, who
16 shall be selected for appointment based on their
17 experience in successfully reforming troubled
18 public housing agencies or in providing afford-
19 able housing in coordination with State and
20 local governments, the private sector, affordable
21 housing residents, or local nonprofit organiza-
22 tions.

23 (2) PROHIBITION ON ADDITIONAL PAY.—Mem-
24 bers of the advisory council shall serve without com-
25 pensation, but shall be reimbursed for travel, sub-

1 sistence, and other necessary expenses incurred in
2 the performance of their duties as members of the
3 Board using amounts from the Headquarters Re-
4 serve fund pursuant to section 1111(b)(4).

5 (c) FUNCTIONS.—The advisory council shall—

6 (1) establish standards and guidelines for as-
7 sessing the performance of the Housing Authority in
8 carrying out operational, asset management, and fi-
9 nancial functions for purposes of the reports and
10 finding under subsections (d) and (e), respectively;

11 (2) provide advice, expertise, and recommenda-
12 tions to the Housing Authority regarding the man-
13 agement, operation, repair, redevelopment, revital-
14 ization, demolition, and disposition of public housing
15 developments of the Housing Authority;

16 (3) report to the Congress under subsection (d)
17 regarding any progress of the Housing Authority in
18 improving the performance of its functions; and

19 (4) make a final finding to the Congress under
20 subsection (e) regarding the future of the Housing
21 Authority.

22 (d) QUARTERLY REPORTS.—The advisory council
23 shall report to the Congress and the Secretary not less
24 than every 3 months regarding the performance of the

1 Housing Authority and any progress of the authority in
2 improving its performance and carrying out its functions.

3 (e) FINAL FINDING.—Upon the expiration of the 18-
4 month period that begins upon the appointment under
5 subsection (b)(1) of all members of the advisory council,
6 the council shall make and submit to the Congress and
7 the Secretary a finding of whether the Housing Authority
8 has substantially improved its performance, the perform-
9 ance of its functions, and the overall condition of the Au-
10 thority such that the Authority should be allowed to con-
11 tinue to operate as the manager of the public housing of
12 the Authority. In making the finding under this sub-
13 section, the advisory council shall consider whether the
14 Housing Authority has made sufficient progress in the
15 demolition and revitalization of the Desire Homes develop-
16 ment, the revitalization of the St. Thomas Homes develop-
17 ment, the appropriate allocation of operating subsidy
18 amounts, and the appropriate expending of modernization
19 amounts.

20 (f) RECEIVERSHIP.—If the advisory council finds
21 under subsection (e) that the Housing Authority has not
22 substantially improved its performance such that the Au-
23 thority should be allowed to continue to operate as the
24 manager of the public housing of the Authority, the Sec-
25 retary shall (notwithstanding section 1545(a)) petition

1 under section 1545(b) for the appointment of a receiver
 2 for the Housing Authority, which receivership shall be
 3 subject to the provisions of section 1545.

4 (g) EXEMPTION.—The provisions of section 1546
 5 shall not apply to the Housing Authority.

6 **TITLE XVI—REPEALS AND**
 7 **RELATED AMENDMENTS**
 8 **Subtitle A—Repeals, Effective Date,**
 9 **and Savings Provisions**

10 **SEC. 1601. EFFECTIVE DATE AND REPEAL OF UNITED**
 11 **STATES HOUSING ACT OF 1937.**

12 (a) EFFECTIVE DATE.—

13 (1) IN GENERAL.—This division and the
 14 amendments made by this division shall take effect
 15 on October 1, 1999, except as otherwise provided in
 16 this section.

17 (2) SPECIFIC EFFECTIVE DATES.—Any provi-
 18 sion of this division that specifically provides for the
 19 effective date of such provision shall take effect in
 20 accordance with the terms of the provision.

21 (b) REPEAL OF UNITED STATES HOUSING ACT OF
 22 1937.—Effective upon the effective date under subsection
 23 (a)(1), the United States Housing Act of 1937 (42 U.S.C.
 24 1437 et seq.) is repealed, subject to the conditions under
 25 subsection (c).

1 (c) SAVINGS PROVISIONS.—

2 (1) OBLIGATIONS UNDER 1937 ACT.—Any obli-
3 gation of the Secretary made under authority of the
4 United States Housing Act of 1937 shall continue to
5 be governed by the provisions of such Act, except
6 that—

7 (A) notwithstanding the repeal of such
8 Act, the Secretary may make a new obligation
9 under such Act upon finding that such obliga-
10 tion is required—

11 (i) to protect the financial interests of
12 the United States or the Department of
13 Housing and Urban Development; or

14 (ii) for the amendment, extension, or
15 renewal of existing obligations; and

16 (B) notwithstanding the repeal of such
17 Act, the Secretary may, in accordance with sub-
18 section (d), issue regulations and other guid-
19 ance and directives as if such Act were in effect
20 if the Secretary finds that such action is nec-
21 essary to facilitate the administration of obliga-
22 tions under such Act.

23 (2) TRANSITION OF FUNDING.—Amounts ap-
24 propriated under the United States Housing Act of
25 1937 shall, upon repeal of such Act, remain avail-

1 able for obligation under such Act in accordance
2 with the terms under which amounts were made
3 available.

4 (3) CROSS REFERENCES.—The provisions of
5 the United States Housing Act of 1937 shall remain
6 in effect for purposes of the validity of any reference
7 to a provision of such Act in any statute (other than
8 such Act) until such reference is modified by law or
9 repealed.

10 (d) PUBLICATION AND EFFECTIVE DATE OF SAV-
11 INGS PROVISIONS.—

12 (1) SUBMISSION TO CONGRESS.—The Secretary
13 shall submit to the Committee on Banking and Fi-
14 nancial Services of the House of Representatives and
15 the Committee on Banking, Housing, and Urban Af-
16 fairs of the Senate a copy of any proposed regula-
17 tion, guidance, or directive under subsection
18 (c)(1)(B).

19 (2) OPPORTUNITY TO REVIEW.—Such a regula-
20 tion, guidance, or directive may not be published for
21 comment or for final effectiveness before or during
22 the 15-calendar day period beginning on the day
23 after the date on which such regulation, guidance, or
24 directive was submitted to the Congress.

1 (3) EFFECTIVE DATE.—No regulation, guide-
2 line, or directive may become effective until after the
3 expiration of the 30-calendar day period beginning
4 on the day after the day on which such rule or regu-
5 lation is published as final.

6 (4) WAIVER.—The provisions of paragraphs (2)
7 and (3) may be waived upon the written request of
8 the Secretary, if agreed to by the Chairmen and
9 Ranking Minority Members of both Committees.

10 (e) MODIFICATIONS.—Notwithstanding any provision
11 of this division or any annual contributions contract or
12 other agreement entered into by the Secretary and a pub-
13 lic housing agency pursuant to the provisions of the
14 United States Housing Act of 1937 (as in effect before
15 the effective date of the repeal under section 1601(b) of
16 this Act), the Secretary and the agency may by mutual
17 consent amend, supersede, or modify any such agreement
18 as appropriate to provide for assistance under this divi-
19 sion, except that the Secretary and the agency may not
20 consent to any such amendment, supersession, or modi-
21 fication that substantially alters any outstanding obliga-
22 tions requiring continued maintenance of the low-income
23 character of any public housing development and any such
24 amendment, supersession, or modification shall not be
25 given effect.

1 (f) SECTION 8 PROJECT-BASED ASSISTANCE.—

2 (1) IN GENERAL.—The provisions of the United
3 States Housing Act of 1937 (42 U.S.C. 1437 et
4 seq.) shall remain in effect after the effectiveness of
5 the repeal under subsection (b) with respect to all
6 section 8 project-based assistance, pursuant to exist-
7 ing and future contracts, except as otherwise pro-
8 vided by this section.

9 (2) TENANT SELECTION PREFERENCES.—An
10 owner of housing assisted with section 8 project-
11 based assistance shall give preference, in the selec-
12 tion of tenants for units of such projects that be-
13 come available, according to any system of local
14 preferences established pursuant to section 1223 by
15 the public housing agency having jurisdiction for the
16 area in which such projects are located.

17 (3) 1-YEAR NOTIFICATION.—Paragraphs (9)
18 and (10) of section 8(c) of the United States Hous-
19 ing Act of 1937 (42 U.S.C. 1437f(c)) shall not be
20 applicable to section 8 project-based assistance.

21 (4) LEASE TERMS.—Leases for dwelling units
22 assisted with section 8 project-based assistance shall
23 comply with the provisions of paragraphs (1) and
24 (3) of section 1324 of this Act and shall not be sub-

1 ject to the provisions of 8(d)(1)(B) of the United
2 States Housing Act of 1937.

3 (5) TERMINATION OF TENANCY.—Any termi-
4 nation of tenancy of a resident of a dwelling unit as-
5 sisted with section 8 project-based assistance shall
6 comply with the provisions of section 1324(2) and
7 section 1325 of this Act and shall not be subject to
8 the provisions of section 8(d)(1)(B) of the United
9 States Housing Act of 1937.

10 (6) TREATMENT OF COMMON AREAS.—The Sec-
11 retary may not provide any assistance amounts pur-
12 suant to an existing contract for section 8 project-
13 based assistance for a housing project and may not
14 enter into a new or renewal contract for such assist-
15 ance for a project unless the owner of the project
16 provides consent, to such local law enforcement
17 agencies as the Secretary determines appropriate,
18 for law enforcement officers of such agencies to
19 enter common areas of the project at any time and
20 without advance notice upon a determination of
21 probable cause by such officers that criminal activity
22 is taking place in such areas.

23 (7) DEFINITION.—For purposes of this sub-
24 section, the term “section 8 project-based assist-

1 ance” means assistance under any of the following
2 programs:

3 (A) The new construction or substantial
4 rehabilitation program under section 8(b)(2) of
5 the United States Housing Act of 1937 (as in
6 effect before October 1, 1983).

7 (B) The property disposition program
8 under section 8(b) of the United States Hous-
9 ing Act of 1937 (as in effect before the effective
10 date of the repeal under section 1601(b) of this
11 Act).

12 (C) The loan management set-aside pro-
13 gram under subsections (b) and (v) of section
14 8 of such Act.

15 (D) The project-based certificate program
16 under section 8(d)(2) of such Act.

17 (E) The moderate rehabilitation program
18 under section 8(e)(2) of the United States
19 Housing Act of 1937 (as in effect before Octo-
20 ber 1, 1991).

21 (F) The low-income housing preservation
22 program under Low-Income Housing Preserva-
23 tion and Resident Homeownership Act of 1990
24 or the provisions of the Emergency Low Income

1 Housing Preservation Act of 1987 (as in effect
2 before November 28, 1990).

3 (G) Section 8 of the United States Hous-
4 ing Act of 1937 (as in effect before the effective
5 date of the repeal under section 1601(b) of this
6 Act), following conversion from assistance
7 under section 101 of the Housing and Urban
8 Development Act of 1965 or section 236(f)(2)
9 of the National Housing Act.

10 (g) EFFECTIVE DATE.—This section shall take effect
11 on the date of the enactment of this Act.

12 **SEC. 1602. OTHER REPEALS.**

13 (a) IN GENERAL.—The following provisions of law
14 are hereby repealed:

15 (1) ASSISTED HOUSING ALLOCATION.—Section
16 213 of the Housing and Community Development
17 Act of 1974 (42 U.S.C. 1439).

18 (2) PUBLIC HOUSING RENT WAIVERS FOR PO-
19 LICE.—Section 519 of the Cranston-Gonzalez Na-
20 tional Affordable Housing Act (42 U.S.C. 1437a–1).

21 (3) TREATMENT OF CERTIFICATE AND VOUCH-
22 ER HOLDERS.—Subsection (c) of section 183 of the
23 Housing and Community Development Act of 1987
24 (42 U.S.C. 1437f note).

1 (4) EXCESSIVE RENT BURDEN DATA.—Sub-
2 section (b) of section 550 of the Cranston-Gonzalez
3 National Affordable Housing Act (42 U.S.C. 1437f
4 note).

5 (5) MOVING TO OPPORTUNITY FOR FAIR HOUS-
6 ING.—Section 152 of the Housing and Community
7 Development Act of 1992 (42 U.S.C. 1437f note).

8 (6) REPORT REGARDING FAIR HOUSING OBJEC-
9 TIVES.—Section 153 of the Housing and Community
10 Development Act of 1992 (42 U.S.C. 1437f note).

11 (7) SPECIAL PROJECTS FOR ELDERLY OR
12 HANDICAPPED FAMILIES.—Section 209 of the Hous-
13 ing and Community Development Act of 1974 (42
14 U.S.C. 1438).

15 (8) ACCESS TO PHA BOOKS.—Section 816 of
16 the Housing Act of 1954 (42 U.S.C. 1435).

17 (9) MISCELLANEOUS PROVISIONS.—Subsections
18 (b)(1) and (d) of section 326 of the Housing and
19 Community Development Amendments of 1981
20 (Public Law 97–35, 95 Stat. 406; 42 U.S.C. 1437f
21 note).

22 (10) PAYMENT FOR DEVELOPMENT MAN-
23 AGERS.—Section 329A of the Housing and Commu-
24 nity Development Amendments of 1981 (42 U.S.C.
25 1437j–1).

1 (11) PROCUREMENT OF INSURANCE BY
2 PHA'S.—In the item relating to “ADMINISTRATIVE
3 PROVISIONS” under the heading “MANAGEMENT
4 AND ADMINISTRATION” in title II of the Depart-
5 ments of Veterans Affairs and Housing and Urban
6 Development, and Independent Agencies Appropria-
7 tions Act, 1991, the penultimate undesignated para-
8 graph of such item (Public Law 101–507; 104 Stat.
9 1369).

10 (12) PUBLIC HOUSING CHILDHOOD DEVELOP-
11 MENT.—Section 222 of the Housing and Urban-
12 Rural Recovery Act of 1983 (12 U.S.C. 1701z–6
13 note).

14 (13) INDIAN HOUSING CHILDHOOD DEVELOP-
15 MENT.—Section 518 of the Cranston-Gonzalez Na-
16 tional Affordable Housing Act (12 U.S.C. 1701z–6
17 note).

18 (14) PUBLIC HOUSING COMPREHENSIVE TRAN-
19 SITION DEMONSTRATION.—Section 126 of the Hous-
20 ing and Community Development Act of 1987 (42
21 U.S.C. 1437f note).

22 (15) PUBLIC HOUSING ONE-STOP PERINATAL
23 SERVICES DEMONSTRATION.—Section 521 of the
24 Cranston-Gonzalez National Affordable Housing Act
25 (42 U.S.C. 1437t note).

1 (16) PUBLIC HOUSING MINCS DEMONSTRA-
2 TION.—Section 522 of the Cranston-Gonzalez Na-
3 tional Affordable Housing Act (42 U.S.C. 1437f
4 note).

5 (17) PUBLIC HOUSING ENERGY EFFICIENCY
6 DEMONSTRATION.—Section 523 of the Cranston-
7 Gonzalez National Affordable Housing Act (42
8 U.S.C. 1437g note).

9 (18) OMAHA HOMEOWNERSHIP DEMONSTRA-
10 TION.—Section 132 of the Housing and Community
11 Development Act of 1992 (Public Law 102–550;
12 106 Stat. 3712).

13 (19) PUBLIC AND ASSISTED HOUSING YOUTH
14 SPORTS PROGRAMS.—Section 520 of the Cranston-
15 Gonzalez National Affordable Housing Act (42
16 U.S.C. 11903a).

17 (20) FROST-LELAND PROVISIONS.—Section 415
18 of the Department of Housing and Urban Develop-
19 ment—Independent Agencies Appropriations Act,
20 1988 (Public Law 100–202; 101 Stat. 1329–213);
21 except that, notwithstanding any other provision of
22 law, beginning on the date of enactment of this Act,
23 the public housing projects described in section 415
24 of such appropriations Act (as such section existed

1 immediately before the date of enactment of this
2 Act) shall be eligible for demolition—

3 (A) under section 14 of the United States
4 Housing Act of 1937 (as such section existed
5 upon the enactment of this Act); and

6 (B) under section 9 of the United States
7 Housing Act of 1937.

8 (21) MULTIFAMILY FINANCING.—The penul-
9 timate sentence of section 302(b)(2) of the National
10 Housing Act (12 U.S.C. 1717(b)(2)) and the penul-
11 timate sentence of section 305(a)(2) of the Emer-
12 gency Home Finance Act of 1970 (12 U.S.C.
13 1454(a)(2)).

14 (22) CONFLICTS OF INTEREST.—Subsection (c)
15 of section 326 of the Housing and Community De-
16 velopment Amendments of 1981 (42 U.S.C. 1437f
17 note).

18 (23) CONVERSION OF PUBLIC HOUSING.—Sec-
19 tion 202 of the Departments of Veterans Affairs and
20 Housing and Urban Development, and Independent
21 Agencies Appropriations Act, 1996 (42 U.S.C. 1437l
22 note) (enacted as section 101(e) of the Omnibus
23 Consolidated Rescissions and Appropriations Act of
24 1996 (Public Law 104–134; 110 Stat. 1321–279)).

1 (b) SAVINGS PROVISION.—Except to the extent oth-
2 erwise provided in this division—

3 (1) the repeals made by subsection (a) shall not
4 affect any legally binding obligations entered into be-
5 fore the effective date of this division; and

6 (2) any funds or activities subject to a provision
7 of law repealed by subsection (a) shall continue to
8 be governed by the provision as in effect immediately
9 before such repeal.

10 **Subtitle B—Other Provisions Relat-**
11 **ing to Public Housing and Rent-**
12 **al Assistance Programs**

13 **SEC. 1621. ALLOCATION OF ELDERLY HOUSING AMOUNTS.**

14 Section 202(l) of the Housing Act of 1959 (12 U.S.C.
15 1701q(l)) is amended by adding at the end the following
16 new paragraph:

17 “(4) CONSIDERATION IN ALLOCATING ASSIST-
18 ANCE.—Assistance under this section shall be allo-
19 cated in a manner that ensures that the awards of
20 the assistance are made for projects of sufficient size
21 to accommodate facilities for supportive services ap-
22 propriate to the needs of frail elderly residents.”.

1 **SEC. 1622. PET OWNERSHIP.**

2 Section 227 of the Housing and Urban-Rural Recov-
3 ery Act of 1983 (12 U.S.C. 1701r-1) is amended to read
4 as follows:

5 **“SEC. 227. PET OWNERSHIP IN FEDERALLY ASSISTED RENT-**
6 **AL HOUSING.**

7 “(a) RIGHT OF OWNERSHIP.—A resident of a dwell-
8 ing unit in federally assisted rental housing may own com-
9 mon household pets or have common household pets
10 present in the dwelling unit of such resident, subject to
11 the reasonable requirements of the owner of the federally
12 assisted rental housing and providing that the resident
13 maintains the animals responsibly and in compliance with
14 applicable local and State public health, animal control,
15 and anticruelty laws. Such reasonable requirements may
16 include requiring payment of a nominal fee and pet deposit
17 by residents owning or having pets present, to cover the
18 operating costs to the project relating to the presence of
19 pets and to establish an escrow account for additional such
20 costs not otherwise covered, respectively. Notwithstanding
21 section 1225(d) of the Housing Opportunity and Respon-
22 sibility Act of 1998, a public housing agency may not
23 grant any exemption under such section from payment,
24 in whole or in part, of any fee or deposit required pursuant
25 to the preceding sentence.

1 “(b) PROHIBITION AGAINST DISCRIMINATION.—No
2 owner of federally assisted rental housing may restrict or
3 discriminate against any person in connection with admis-
4 sion to, or continued occupancy of, such housing by reason
5 of the ownership of common household pets by, or the
6 presence of such pets in the dwelling unit of, such person.

7 “(c) DEFINITIONS.—For purposes of this section, the
8 following definitions shall apply:

9 “(1) FEDERALLY ASSISTED RENTAL HOUS-
10 ING.—The term ‘federally assisted rental housing’
11 means any multifamily rental housing project that
12 is—

13 “(A) public housing (as such term is de-
14 fined in section 1103 of the Housing Oppor-
15 tunity and Responsibility Act of 1998);

16 “(B) assisted with project-based assistance
17 pursuant to section 1601(f) of the Housing Op-
18 portunity and Responsibility Act of 1998 or
19 under section 8 of the United States Housing
20 Act of 1937 (as in effect before the effective
21 date of the repeal under section 1601(b) of the
22 Housing Opportunity and Responsibility Act of
23 1998);

24 “(C) assisted under section 202 of the
25 Housing Act of 1959 (as amended by section

1 801 of the Cranston-Gonzalez National Afford-
2 able Housing Act);

3 “(D) assisted under section 202 of the
4 Housing Act of 1959 (as in effect before the en-
5 actment of the Cranston-Gonzalez National Af-
6 fordable Housing Act);

7 “(E) assisted under title V of the Housing
8 Act of 1949; or

9 “(F) insured, assisted, or held by the Sec-
10 retary or a State or State agency under section
11 236 of the National Housing Act.

12 “(2) OWNER.—The term ‘owner’ means, with
13 respect to federally assisted rental housing, the en-
14 tity or private person, including a cooperative or
15 public housing agency, that has the legal right to
16 lease or sublease dwelling units in such housing (in-
17 cluding a manager of such housing having such
18 right).

19 “(d) REGULATIONS.—This section shall take effect
20 upon the date of the effectiveness of regulations issued by
21 the Secretary to carry out this section. Such regulations
22 shall be issued not later than the expiration of the 1-year
23 period beginning on the date of the enactment of the
24 Housing Opportunity and Responsibility Act of 1998 and
25 after notice and opportunity for public comment in accord-

1 ance with the procedure under section 553 of title 5,
2 United States Code, applicable to substantive rules (not-
3 withstanding subsections (a)(2), (b)(B), and (d)(3) of
4 such section).”.

5 **SEC. 1623. REVIEW OF DRUG ELIMINATION PROGRAM CON-**
6 **TRACTS.**

7 (a) REQUIREMENT.—The Secretary of Housing and
8 Urban Development shall investigate all security contracts
9 awarded by grantees under the Public and Assisted Hous-
10 ing Drug Elimination Act of 1990 (42 U.S.C. 11901 et
11 seq.) that are public housing agencies that own or operate
12 more than 4,500 public housing dwelling units—

13 (1) to determine whether the contractors under
14 such contracts have complied with all laws and regu-
15 lations regarding prohibition of discrimination in
16 hiring practices;

17 (2) to determine whether such contracts were
18 awarded in accordance with the applicable laws and
19 regulations regarding the award of such contracts;

20 (3) to determine how many such contracts were
21 awarded under emergency contracting procedures;

22 (4) to evaluate the effectiveness of the con-
23 tracts; and

24 (5) to provide a full accounting of all expenses
25 under the contracts.

1 (b) REPORT.—Not later than 180 days after the date
2 of the enactment of this Act, the Secretary shall complete
3 the investigation required under subsection (a) and submit
4 a report to the Congress regarding the findings under the
5 investigation. With respect to each such contract, the re-
6 port shall (1) state whether the contract was made and
7 is operating, or was not made or is not operating, in full
8 compliance with applicable laws and regulations, and (2)
9 for each contract that the Secretary determines is in such
10 compliance issue a personal certification of such compli-
11 ance by the Secretary of Housing and Urban Develop-
12 ment.

13 (c) ACTIONS.—For each contract that is described in
14 the report under subsection (b) as not made or not operat-
15 ing in full compliance with applicable laws and regulations,
16 the Secretary of Housing and Urban Development shall
17 promptly take any actions available under law or regula-
18 tion that are necessary—

- 19 (1) to bring such contract into compliance; or
20 (2) to terminate the contract.

21 (d) EFFECTIVE DATE.—This section shall take effect
22 on the date of the enactment of this Act.

1 **SEC. 1624. AMENDMENTS TO PUBLIC AND ASSISTED HOUS-**
2 **ING DRUG ELIMINATION ACT OF 1990.**

3 (a) SHORT TITLE, PURPOSES, AND AUTHORITY TO
4 MAKE GRANTS.—Chapter 2 of subtitle C of title V of the
5 Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et seq.)
6 is amended by striking the chapter heading and all that
7 follows through section 5123 and inserting the following:

8 **“CHAPTER 2—COMMUNITY**
9 **PARTNERSHIPS AGAINST CRIME**

10 **“SEC. 5121. SHORT TITLE.**

11 “This chapter may be cited as the ‘Community Part-
12 nerships Against Crime Act of 1998’.

13 **“SEC. 5122. PURPOSES.**

14 “The purposes of this chapter are to—

15 “(1) improve the quality of life for the vast ma-
16 jority of law-abiding public housing residents by re-
17 ducing the levels of fear, violence, and crime in their
18 communities;

19 “(2) broaden the scope of the Public and As-
20 sisted Housing Drug Elimination Act of 1990 to
21 apply to all types of crime, and not simply crime
22 that is drug-related; and

23 “(3) reduce crime and disorder in and around
24 public housing through the expansion of community-
25 oriented policing activities and problem solving.

1 **“SEC. 5123. AUTHORITY TO MAKE GRANTS.**

2 “The Secretary of Housing and Urban Development
3 may make grants in accordance with the provisions of this
4 chapter for use in eliminating crime in and around public
5 housing and other federally assisted low-income housing
6 projects to (1) public housing agencies, and (2) private,
7 for-profit and nonprofit owners of federally assisted low-
8 income housing.”.

9 (b) **ELIGIBLE ACTIVITIES.—**

10 (1) **IN GENERAL.**—Section 5124(a) of the Anti-
11 Drug Abuse Act of 1988 (42 U.S.C. 11903(a)) is
12 amended—

13 (A) in the matter preceding paragraph (1),
14 by inserting “and around” after “used in”;

15 (B) in paragraph (3), by inserting before
16 the semicolon the following: “, including fence-
17 ing, lighting, locking, and surveillance systems”;

18 (C) in paragraph (4), by striking subpara-
19 graph (A) and inserting the following new sub-
20 paragraph:

21 “(A) to investigate crime; and”;

22 (D) in paragraph (6)—

23 (i) by striking “in and around public
24 or other federally assisted low-income
25 housing projects”; and

1 (ii) by striking “and” after the semi-
2 colon; and

3 (E) by striking paragraph (7) and insert-
4 ing the following new paragraphs:

5 “(7) providing funding to nonprofit public hous-
6 ing resident management corporations and resident
7 councils to develop security and crime prevention
8 programs involving site residents;

9 “(8) the employment or utilization of one or
10 more individuals, including law enforcement officers,
11 made available by contract or other cooperative ar-
12 rangement with State or local law enforcement agen-
13 cies, to engage in community- and problem-oriented
14 policing involving interaction with members of the
15 community in proactive crime control and prevention
16 activities;

17 “(9) programs and activities for or involving
18 youth, including training, education, recreation and
19 sports, career planning, and entrepreneurship and
20 employment activities and after school and cultural
21 programs; and

22 “(10) service programs for residents that ad-
23 dress the contributing factors of crime, including
24 programs for job training, education, drug and alco-

1 hol treatment, and other appropriate social serv-
2 ices.”.

3 (2) OTHER PHA-OWNED HOUSING.—Section
4 5124(b) of the Anti-Drug Abuse Act of 1988 (42
5 U.S.C. 11903(b)) is amended—

6 (A) in the matter preceding paragraph
7 (1)—

8 (i) by striking “drug-related crime in”
9 and inserting “crime in and around”; and

10 (ii) by striking “paragraphs (1)
11 through (7)” and inserting “paragraphs
12 (1) through (10)”; and

13 (B) in paragraph (2), by striking “drug-re-
14 lated” and inserting “criminal”.

15 (c) GRANT PROCEDURES.—Section 5125 of the Anti-
16 Drug Abuse Act of 1988 (42 U.S.C. 11904) is amended
17 to read as follows:

18 **“SEC. 5125. GRANT PROCEDURES.**

19 **“(a) PHA’S WITH 250 OR MORE UNITS.—**

20 **“(1) GRANTS.—**In each fiscal year, the Sec-
21 retary shall make a grant under this chapter from
22 any amounts available under section 5131(b)(1) for
23 the fiscal year to each of the following public hous-
24 ing agencies:

1 “(A) NEW APPLICANTS.—Each public
2 housing agency that owns or operates 250 or
3 more public housing dwelling units and has—

4 “(i) submitted an application to the
5 Secretary for a grant for such fiscal year,
6 which includes a 5-year crime deterrence
7 and reduction plan under paragraph (2);
8 and

9 “(ii) had such application and plan
10 approved by the Secretary.

11 “(B) RENEWALS.—Each public housing
12 agency that owns or operates 250 or more pub-
13 lic housing dwelling units and for which—

14 “(i) a grant was made under this
15 chapter for the preceding Federal fiscal
16 year;

17 “(ii) the term of the 5-year crime de-
18 terrence and reduction plan applicable to
19 such grant includes the fiscal year for
20 which the grant under this subsection is to
21 be made; and

22 “(iii) the Secretary has determined,
23 pursuant to a performance review under
24 paragraph (4), that during the preceding
25 fiscal year the agency has substantially ful-

1 filled the requirements under subpara-
2 graphs (A) and (B) of paragraph (4).

3 Notwithstanding subparagraphs (A) and (B), the
4 Secretary may make a grant under this chapter to
5 a public housing agency that owns or operates 250
6 or more public housing dwelling units only if the
7 agency includes in the application for the grant in-
8 formation that demonstrates, to the satisfaction of
9 the Secretary, that the agency has a need for the
10 grant amounts based on generally recognized crime
11 statistics showing that (I) the crime rate for the
12 public housing developments of the agency (or the
13 immediate neighborhoods in which such develop-
14 ments are located) is higher than the crime rate for
15 the jurisdiction in which the agency operates, (II)
16 the crime rate for the developments (or such neigh-
17 borhoods) is increasing over a period of sufficient
18 duration to indicate a general trend, or (III) the op-
19 eration of the program under this chapter substan-
20 tially contributes to the reduction of crime.

21 “(2) 5-YEAR CRIME DETERRENCE AND REDUC-
22 TION PLAN.—Each application for a grant under
23 this subsection shall contain a 5-year crime deter-
24 rence and reduction plan. The plan shall be devel-
25 oped with the participation of residents and appro-

1 piate law enforcement officials. The plan shall de-
2 scribe, for the public housing agency submitting the
3 plan—

4 “(A) the nature of the crime problem in
5 public housing owned or operated by the public
6 housing agency;

7 “(B) the building or buildings of the public
8 housing agency affected by the crime problem;

9 “(C) the impact of the crime problem on
10 residents of such building or buildings; and

11 “(D) the actions to be taken during the
12 term of the plan to reduce and deter such
13 crime, which shall include actions involving resi-
14 dents, law enforcement, and service providers.

15 The term of a plan shall be the period consisting of
16 5 consecutive fiscal years, which begins with the first
17 fiscal year for which funding under this chapter is
18 provided to carry out the plan.

19 “(3) AMOUNT.—In any fiscal year, the amount
20 of the grant for a public housing agency receiving a
21 grant pursuant to paragraph (1) shall be the
22 amount that bears the same ratio to the total
23 amount made available under section 5131(b)(1) as
24 the total number of public dwelling units owned or
25 operated by such agency bears to the total number

1 of dwelling units owned or operated by all public
2 housing agencies that own or operate 250 or more
3 public housing dwelling units that are approved for
4 such fiscal year.

5 “(4) PERFORMANCE REVIEW.—For each fiscal
6 year, the Secretary shall conduct a performance re-
7 view of the activities carried out by each public
8 housing agency receiving a grant pursuant to this
9 subsection to determine whether the agency—

10 “(A) has carried out such activities in a
11 timely manner and in accordance with its 5-
12 year crime deterrence and reduction plan; and

13 “(B) has a continuing capacity to carry
14 out such plan in a timely manner.

15 “(5) SUBMISSION OF APPLICATIONS.—The Sec-
16 retary shall establish such deadlines and require-
17 ments for submission of applications under this sub-
18 section.

19 “(6) REVIEW AND DETERMINATION.—The Sec-
20 retary shall review each application submitted under
21 this subsection upon submission and shall approve
22 the application unless the application and the 5-year
23 crime deterrence and reduction plan are inconsistent
24 with the purposes of this chapter or any require-
25 ments established by the Secretary or the informa-

1 tion in the application or plan is not substantially
2 complete. Upon approving or determining not to ap-
3 prove an application and plan submitted under this
4 subsection, the Secretary shall notify the public
5 housing agency submitting the application and plan
6 of such approval or disapproval.

7 “(7) DISAPPROVAL OF APPLICATIONS.—If the
8 Secretary notifies an agency that the application and
9 plan of the agency is not approved, not later than
10 the expiration of the 15-day period beginning upon
11 such notice of disapproval, the Secretary shall also
12 notify the agency, in writing, of the reasons for the
13 disapproval, the actions that the agency could take
14 to comply with the criteria for approval, and the
15 deadlines for such actions.

16 “(8) FAILURE TO APPROVE OR DISAPPROVE.—
17 If the Secretary fails to notify an agency of approval
18 or disapproval of an application and plan submitted
19 under this subsection before the expiration of the
20 60-day period beginning upon the submission of the
21 plan or fails to provide notice under paragraph (7)
22 within the 15-day period under such paragraph to
23 an agency whose application has been disapproved,
24 the application and plan shall be considered to have
25 been approved for purposes of this section.

1 “(b) PHA’S WITH FEWER THAN 250 UNITS AND
2 OWNERS OF FEDERALLY ASSISTED LOW-INCOME HOUS-
3 ING.—

4 “(1) APPLICATIONS AND PLANS.—To be eligible
5 to receive a grant under this chapter, a public hous-
6 ing agency that owns or operates fewer than 250
7 public housing dwelling units or an owner of feder-
8 ally assisted low-income housing shall submit an ap-
9 plication to the Secretary at such time, in such man-
10 ner, and accompanied by such additional information
11 as the Secretary may require. The application shall
12 include a plan for addressing the problem of crime
13 in and around the housing for which the application
14 is submitted, describing in detail activities to be con-
15 ducted during the fiscal year for which the grant is
16 requested.

17 “(2) GRANTS FOR PHA’S WITH FEWER THAN
18 250 UNITS.—In each fiscal year the Secretary may,
19 to the extent amounts are available under section
20 5131(b)(2), make grants under this chapter to pub-
21 lic housing agencies that own or operate fewer than
22 250 public housing dwelling units and have submit-
23 ted applications under paragraph (1) that the Sec-
24 retary has approved pursuant to the criteria under
25 paragraph (4).

1 “(3) GRANTS FOR FEDERALLY ASSISTED LOW-
2 INCOME HOUSING.—In each fiscal year the Secretary
3 may, to the extent amounts are available under sec-
4 tion 5131(b)(3), make grants under this chapter to
5 owners of federally assisted low-income housing that
6 have submitted applications under paragraph (1)
7 that the Secretary has approved pursuant to the cri-
8 teria under paragraphs (4) and (5).

9 “(4) CRITERIA FOR APPROVAL OF APPLICA-
10 TIONS.—The Secretary shall determine whether to
11 approve each application under this subsection on
12 the basis of—

13 “(A) the extent of the crime problem in
14 and around the housing for which the applica-
15 tion is made;

16 “(B) the quality of the plan to address the
17 crime problem in the housing for which the ap-
18 plication is made;

19 “(C) the capability of the applicant to
20 carry out the plan; and

21 “(D) the extent to which the tenants of the
22 housing, the local government, local community-
23 based nonprofit organizations, local tenant or-
24 ganizations representing residents of neighbor-
25 ing projects that are owned or assisted by the

1 Secretary, and the local community support and
2 participate in the design and implementation of
3 the activities proposed to be funded under the
4 application.

5 In each fiscal year, the Secretary may give pref-
6 erence to applications under this subsection for
7 housing made by applicants who received a grant for
8 such housing for the preceding fiscal year under this
9 subsection or under the provisions of this chapter as
10 in effect immediately before the date of the enact-
11 ment of the Housing Opportunity and Responsibility
12 Act of 1998.

13 “(5) ADDITIONAL CRITERIA FOR FEDERALLY
14 ASSISTED LOW-INCOME HOUSING.—In addition to
15 the selection criteria under paragraph (4), the Sec-
16 retary may establish other criteria for evaluating ap-
17 plications submitted by owners of federally assisted
18 low-income housing, except that such additional cri-
19 teria shall be designed only to reflect—

20 “(A) relevant differences between the fi-
21 nancial resources and other characteristics of
22 public housing agencies and owners of federally
23 assisted low-income housing; or

24 “(B) relevant differences between the prob-
25 lem of crime in public housing administered by

1 such authorities and the problem of crime in
2 federally assisted low-income housing.”.

3 (d) DEFINITIONS.—Section 5126 of the Anti-Drug
4 Abuse Act of 1988 (42 U.S.C. 11905) is amended—

5 (1) by striking paragraphs (1) and (2);

6 (2) in paragraph (4)(A), by striking “section”
7 before “221(d)(4)”;

8 (3) by redesignating paragraphs (3) and (4) (as
9 so amended) as paragraphs (1) and (2), respectively;
10 and

11 (4) by adding at the end the following new
12 paragraph:

13 “(3) PUBLIC HOUSING AGENCY.—The term
14 ‘public housing agency’ has the meaning given the
15 term in section 1103 of the Housing Opportunity
16 and Responsibility Act of 1998.”.

17 (e) IMPLEMENTATION.—Section 5127 of the Anti-
18 Drug Abuse Act of 1988 (42 U.S.C. 11906) is amended
19 by striking “Cranston-Gonzalez National Affordable
20 Housing Act” and inserting “Housing Opportunity and
21 Responsibility Act of 1998”.

22 (f) REPORTS.—Section 5128 of the Anti-Drug Abuse
23 Act of 1988 (42 U.S.C. 11907) is amended—

24 (1) by striking “drug-related crime in” and in-
25 serting “crime in and around”; and

1 (2) by striking “described in section 5125(a)”
2 and inserting “for the grantee submitted under sub-
3 section (a) or (b) of section 5125, as applicable”.

4 (g) FUNDING AND PROGRAM SUNSET.—Chapter 2 of
5 subtitle C of title V of the Anti-Drug Abuse Act of 1988
6 is amended by striking section 5130 (42 U.S.C. 11909)
7 and inserting the following new section:

8 **“SEC. 5130. FUNDING.**

9 “(a) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated to carry out this chapter
11 \$290,000,000 for each of fiscal years 1998, 1999, 2000,
12 2001, and 2002.

13 “(b) ALLOCATION.—Of any amounts available, or
14 that the Secretary is authorized to use, to carry out this
15 chapter in any fiscal year—

16 “(1) 85 percent shall be available only for as-
17 sistance pursuant to section 5125(a) to public hous-
18 ing agencies that own or operate 250 or more public
19 housing dwelling units;

20 “(2) 10 percent shall be available only for as-
21 sistance pursuant to section 5125(b)(2) to public
22 housing agencies that own or operate fewer than 250
23 public housing dwelling units; and

1 “(3) 5 percent shall be available only for assist-
2 ance to federally assisted low-income housing pursu-
3 ant to section 5125(b)(3).

4 “(c) RETENTION OF PROCEEDS OF ASSET FORFEIT-
5 URES BY INSPECTOR GENERAL.—Notwithstanding section
6 3302 of title 31, United States Code, or any other provi-
7 sion of law affecting the crediting of collections, the pro-
8 ceeds of forfeiture proceedings and funds transferred to
9 the Office of Inspector General of the Department of
10 Housing and Urban Development, as a participating agen-
11 cy, from the Department of Justice Assets Forfeiture
12 Fund or the Department of the Treasury Forfeiture Fund,
13 as an equitable share from the forfeiture of property in
14 investigations in which the Office of Inspector General
15 participates, shall be deposited to the credit of the Office
16 of Inspector General for Operation Safe Home activities
17 authorized under the Inspector General Act of 1978, as
18 amended, to remain available until expended.”.

19 (h) CONFORMING AMENDMENTS.—The table of con-
20 tents in section 5001 of the Anti-Drug Abuse Act of 1988
21 (Public Law 100–690; 102 Stat. 4295) is amended—

22 (1) by striking the item relating to the heading
23 for chapter 2 of subtitle C of title V and inserting
24 the following:

 “CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME”;

1 (2) by striking the item relating to section 5122
2 and inserting the following new item:

“Sec. 5122. Purposes.”;

3 (3) by striking the item relating to section 5125
4 and inserting the following new item:

“Sec. 5125. Grant procedures.”;

5 and

6 (4) by striking the item relating to section 5130
7 and inserting the following new item:

“Sec. 5130. Funding.”.

8 (i) TREATMENT OF NOFA.—The cap limiting assist-
9 ance under the Notice of Funding Availability issued by
10 the Department of Housing and Urban Development in
11 the Federal Register of April 8, 1996, shall not apply to
12 a public housing agency within an area designated as a
13 high intensity drug trafficking area under section 1005(c)
14 of the Anti-Drug Abuse Act of 1988 (21 U.S.C. 1504(c)).

15 (j) EFFECTIVE DATE.—This section and the amend-
16 ments made by this section shall take effect on the date
17 of the enactment of this Act.

18 **Subtitle C—Limitations Relating to** 19 **Occupancy in Federally Assisted** 20 **Housing**

21 **SEC. 1641. SCREENING OF APPLICANTS.**

22 (a) INELIGIBILITY BECAUSE OF EVICTION.—Any
23 household or member of a household evicted from federally

1 assisted housing (as such term is defined in section 1645)
2 shall not be eligible for federally assisted housing—

3 (1) in the case of eviction by reason of drug-re-
4 lated criminal activity, for a period of not less than
5 3 years that begins on the date of such eviction, un-
6 less the evicted member of the household successfully
7 completes a rehabilitation program; and

8 (2) in the case of an eviction for other serious
9 violations of the terms or conditions of the lease, for
10 a reasonable period of time, as determined by the
11 public housing agency or owner of the federally as-
12 sisted housing, as applicable.

13 The requirements of paragraphs (1) and (2) may be
14 waived if the circumstances leading to eviction no longer
15 exist.

16 (b) INELIGIBILITY OF ILLEGAL DRUG USERS AND
17 ALCOHOL USERS.—

18 (1) IN GENERAL.—Notwithstanding any other
19 provision of law, a public housing agency or an
20 owner of federally assisted housing, or both, as de-
21 termined by the Secretary, shall establish standards
22 that prohibit admission to the program or admission
23 to federally assisted housing for any household with
24 a member—

1 (A) who the public housing agency or
2 owner determines is engaging in the illegal use
3 of a controlled substance; or

4 (B) with respect to whom the public hous-
5 ing agency or owner determines that it has rea-
6 sonable cause to believe that such household
7 member's illegal use (or pattern of illegal use)
8 of a controlled substance, or abuse (or pattern
9 of abuse) of alcohol, would interfere with the
10 health, safety, or right to peaceful enjoyment of
11 the premises by other residents.

12 (2) CONSIDERATION OF REHABILITATION.—In
13 determining whether, pursuant to paragraph (1)(B),
14 to deny admission to the program or to federally as-
15 sisted housing to any household based on a pattern
16 of illegal use of a controlled substance or a pattern
17 of abuse of alcohol by a household member, a public
18 housing agency or an owner may consider whether
19 such household member—

20 (A) has successfully completed an accred-
21 ited drug or alcohol rehabilitation program (as
22 applicable) and is no longer engaging in the ille-
23 gal use of a controlled substance or abuse of al-
24 cohol (as applicable);

1 (B) has otherwise been rehabilitated suc-
2 cessfully and is no longer engaging in the illegal
3 use of a controlled substance or abuse of alco-
4 hol (as applicable); or

5 (C) is participating in an accredited drug
6 or alcohol rehabilitation program (as applicable)
7 and is no longer engaging in the illegal use of
8 a controlled substance or abuse of alcohol (as
9 applicable).

10 (c) INELIGIBILITY OF SEXUALLY VIOLENT PREDA-
11 TORS FOR ADMISSION TO PUBLIC HOUSING.—

12 (1) IN GENERAL.—Notwithstanding any other
13 provision of law, a public housing agency shall pro-
14 hibit admission to public housing for any household
15 that includes any individual who is a sexually violent
16 predator.

17 (2) SEXUALLY VIOLENT PREDATOR.—For pur-
18 poses of this subsection, the term “sexually violent
19 predator” means an individual who—

20 (A) is a sexually violent predator (as such
21 term is defined in section 170101(a)(3) of such
22 Act); and

23 (B) is subject to a registration requirement
24 under section 170101(a)(1)(B) or 170102(c) of
25 the Violent Crime Control and Law Enforce-

1 ment Act of 1994 (42 U.S.C. 14071(a)(1)(B),
2 14072(c)), as provided under section
3 170101(b)(6)(B) or 170102(d)(2), respectively,
4 of such Act.

5 (d) AUTHORITY TO DENY ADMISSION TO CRIMINAL
6 OFFENDERS.—Except as provided in subsections (a), (b),
7 and (c) and in addition to any other authority to screen
8 applicants, in selecting among applicants for admission to
9 the program or to federally assisted housing, if the public
10 housing agency or owner of such housing (as applicable)
11 determines that an applicant or any member of the appli-
12 cant’s household is or was, during a reasonable time pre-
13 ceding the date when the applicant household would other-
14 wise be selected for admission, engaged in any criminal
15 activity (including drug-related criminal activity), the pub-
16 lic housing agency or owner may—

17 (1) deny such applicant admission to the pro-
18 gram or to federally assisted housing;

19 (2) consider the applicant (for purposes of any
20 waiting list) as not having applied for the program
21 or such housing; and

22 (3) after the expiration of the reasonable period
23 beginning upon such activity, require the applicant,
24 as a condition of admission to the program or to
25 federally assisted housing, to submit to the public

1 housing agency or owner evidence sufficient (as the
2 Secretary shall by regulation provide) to ensure that
3 the individual or individuals in the applicant's house-
4 hold who engaged in criminal activity for which de-
5 nial was made under paragraph (1) have not en-
6 gaged in any criminal activity during such reason-
7 able period.

8 (e) **AUTHORITY TO REQUIRE ACCESS TO CRIMINAL**
9 **RECORDS.**—A public housing agency and an owner of fed-
10 erally assisted housing may require, as a condition of pro-
11 viding admission to the program or admission to or occu-
12 pancy in federally assisted housing, that each adult mem-
13 ber of the household provide a signed, written authoriza-
14 tion for the public housing agency to obtain the records
15 described in section 1644(a) regarding such member of the
16 household from the National Crime Information Center,
17 police departments, other law enforcement agencies, and
18 State registration agencies referred to in such section. In
19 the case of an owner of federally assisted housing that is
20 not a public housing agency, the owner shall request the
21 public housing agency having jurisdiction over the area
22 within which the housing is located to obtain the records
23 pursuant to section 1644.

24 (f) **ADMISSION BASED ON DISABILITY.**—

1 (1) IN GENERAL.—Notwithstanding any other
2 provision of law, for purposes of determining eligi-
3 bility for admission to federally assisted housing, a
4 person shall not be considered to have a disability or
5 a handicap solely because of the prior or current ille-
6 gal use of a controlled substance (as defined in sec-
7 tion 102 of the Controlled Substances Act) or solely
8 by reason of the prior or current use of alcohol.

9 (2) CONTINUED OCCUPANCY.—This subsection
10 may not be construed to prohibit the continued occu-
11 pancy of any person who is a resident in assisted
12 housing on the effective date of this division.

13 **SEC. 1642. TERMINATION OF TENANCY AND ASSISTANCE**
14 **FOR ILLEGAL DRUG USERS AND ALCOHOL**
15 **ABUSERS.**

16 Notwithstanding any other provision of law, a public
17 housing agency or an owner of federally assisted housing
18 (as applicable), shall establish standards or lease provi-
19 sions for continued assistance or occupancy in federally
20 assisted housing that allow the agency or owner (as appli-
21 cable) to terminate the tenancy or assistance for any
22 household with a member—

23 (1) who the public housing agency or owner de-
24 termines is engaging in the illegal use of a controlled
25 substance; or

1 (2) whose illegal use of a controlled substance,
2 or whose abuse of alcohol, is determined by the pub-
3 lic housing agency or owner to interfere with the
4 health, safety, or right to peaceful enjoyment of the
5 premises by other residents.

6 **SEC. 1643. LEASE REQUIREMENTS.**

7 In addition to any other applicable lease require-
8 ments, each lease for a dwelling unit in federally assisted
9 housing shall provide that—

10 (1) the owner may not terminate the tenancy
11 except for violation of the terms or conditions of the
12 lease, violation of applicable Federal, State, or local
13 law, or for other good cause; and

14 (2) grounds for termination of tenancy shall in-
15 clude any criminal or other activity, engaged in by
16 the tenant, any member of the tenant's household,
17 any guest, or any other person under the control of
18 the household, that—

19 (A) threatens the health or safety of, or
20 right to peaceful enjoyment of the premises by,
21 other tenant or employees of the owner or other
22 manager of the housing;

23 (B) threatens the health or safety of, or
24 right to peaceful enjoyment of their premises

1 by, persons residing in the immediate vicinity of
2 the premises; or

3 (C) with respect only to activity engaged in
4 by the tenant or any member of the tenant's
5 household, is criminal activity on or off the
6 premises.

7 **SEC. 1644. AVAILABILITY OF CRIMINAL RECORDS FOR TEN-**
8 **ANT SCREENING AND EVICTION.**

9 (a) IN GENERAL.—

10 (1) CRIMINAL CONVICTION INFORMATION.—

11 Notwithstanding any other provision of law other
12 than paragraphs (3) and (4), upon the request of a
13 public housing agency, the National Crime Informa-
14 tion Center, a police department, and any other law
15 enforcement agency shall provide to the public hous-
16 ing agency information regarding the criminal con-
17 viction records of an adult applicant for, or tenants
18 of, federally assisted housing for purposes of appli-
19 cant screening, lease enforcement, and eviction, but
20 only if the public housing agency requests such in-
21 formation and presents to such Center, department,
22 or agency a written authorization, signed by such
23 applicant, for the release of such information to the
24 public housing agency or other owner of the feder-
25 ally assisted housing.

1 (2) INFORMATION REGARDING CRIMES AGAINST
2 CHILDREN AND SEXUALLY VIOLENT PREDATORS.—
3 Notwithstanding any other provision of law other
4 than paragraphs (3) and (4), upon the request of a
5 public housing agency, the Federal Bureau of Inves-
6 tigation, a State law enforcement agency designated
7 as a registration agency under a State registration
8 program under subtitle A of title XVII of the Vio-
9 lent Crime Control and Law Enforcement Act of
10 1994 (42 U.S.C. 14071), and any local law enforce-
11 ment agency authorized by the State agency shall
12 provide to a public housing agency the information
13 collected under the national database established
14 pursuant to section 170102 of such Act or such
15 State registration program, as applicable, regarding
16 an adult applicant for, or tenant of, federally as-
17 sisted housing for purposes of applicant screening,
18 lease enforcement, and eviction, but only if the pub-
19 lic housing agency requests such information and
20 presents to such State registration agency or other
21 local law enforcement agency a written authoriza-
22 tion, signed by such applicant, for the release of
23 such information to the public housing agency or
24 other owner of the federally assisted housing.

1 (3) DELAYED EFFECTIVE DATE FOR OWNERS
2 OTHER THAN PHA'S.—The provisions of paragraphs
3 (1) and (2) authorizing obtaining information for
4 owners of federally assisted housing other than pub-
5 lic housing agencies shall not take effect before—

6 (A) the expiration of the 1-year period be-
7 ginning on the date of enactment of this Act;
8 and

9 (B) the Secretary and the Attorney Gen-
10 eral of the United States have determined that
11 access to such information is feasible for such
12 owners and have provided for the terms of re-
13 lease of such information to owners.

14 (4) EXCEPTION.—The information provided
15 under paragraphs (1), (2), and (3) shall include in-
16 formation regarding any criminal conviction of a ju-
17 venile only to the extent that the release of such in-
18 formation is authorized under the law of the applica-
19 ble State, tribe, or locality.

20 (b) CONFIDENTIALITY.—A public housing agency or
21 owner receiving information under this section may use
22 such information only for the purposes provided in this
23 section and such information may not be disclosed to any
24 person who is not an officer, employee, or authorized rep-
25 resentative of the agency or owner and who has a job-

1 related need to have access to the information in connec-
2 tion with admission of applicants, eviction of tenants, or
3 termination of assistance. For judicial eviction proceed-
4 ings, disclosures may be made to the extent necessary. The
5 Secretary shall, by regulation, establish procedures nec-
6 essary to ensure that information provided under this sec-
7 tion to a public housing agency or owner is used, and con-
8 fidentiality of such information is maintained, as required
9 under this section.

10 (c) OPPORTUNITY TO DISPUTE.—Before an adverse
11 action is taken with regard to assistance for federally as-
12 sisted housing on the basis of a criminal record (including
13 on the basis that an individual is a sexually violent preda-
14 tor, pursuant to section 1641(c)), the public housing agen-
15 cy or owner shall provide the tenant or applicant with a
16 copy of the criminal record and an opportunity to dispute
17 the accuracy and relevance of that record.

18 (d) FEE.—A public housing agency may be charged
19 a reasonable fee for information provided under subsection
20 (a). A public housing agency may require an owner of fed-
21 erally assisted housing (that is not a public housing agen-
22 cy) to pay such fee for any information that the agency
23 acquires for the owner pursuant to section 1641(e) and
24 subsection (a) of this section.

1 (e) RECORDS MANAGEMENT.—Each public housing
2 agency and owner of federally assisted housing that re-
3 ceives criminal record information pursuant to this section
4 shall establish and implement a system of records manage-
5 ment that ensures that any criminal record received by
6 the agency or owner is—

7 (1) maintained confidentially;

8 (2) not misused or improperly disseminated;

9 and

10 (3) destroyed in a timely fashion, once the pur-
11 pose for which the record was requested has been
12 accomplished.

13 (f) PENALTY.—Any person who knowingly and will-
14 fully requests or obtains any information concerning an
15 applicant for, or tenant of, federally assisted housing pur-
16 suant to the authority under this section under false pre-
17 tenses, or any person who knowingly and willfully discloses
18 any such information in any manner to any individual not
19 entitled under any law to receive it, shall be guilty of a
20 misdemeanor and fined not more than \$5,000. The term
21 “person” as used in this subsection shall include an offi-
22 cer, employee, or authorized representative of any public
23 housing agency or owner.

24 (g) CIVIL ACTION.—Any applicant for, or tenant of,
25 federally assisted housing affected by: (1) a negligent or

1 knowing disclosure of information referred to in this sec-
2 tion about such person by an officer, employee, or author-
3 ized representative of any public housing agency or owner
4 of federally assisted housing, which disclosure is not au-
5 thorized by this section; or (2) any other negligent or
6 knowing action that is inconsistent with this section, may
7 bring a civil action for damages and such other relief as
8 may be appropriate against any public housing agency or
9 owner responsible for such unauthorized action. The dis-
10 trict court of the United States in the district in which
11 the affected applicant or tenant resides, in which such un-
12 authorized action occurred, or in which the officer, em-
13 ployee, or representative alleged to be responsible for any
14 such unauthorized action resides, shall have jurisdiction
15 in such matters. Appropriate relief that may be ordered
16 by such district courts shall include reasonable attorney's
17 fees and other litigation costs.

18 (h) DEFINITION.—For purposes of this section, the
19 term “adult” means a person who is 18 years of age or
20 older, or who has been convicted of a crime as an adult
21 under any Federal, State, or tribal law.

22 **SEC. 1645. DEFINITIONS.**

23 For purposes of this subtitle, the following definitions
24 shall apply:

1 (1) FEDERALLY ASSISTED HOUSING.—The
2 term “federally assisted housing” means a dwelling
3 unit—

4 (A) in public housing (as such term is de-
5 fined in section 1102);

6 (B) assisted with choice-based housing as-
7 sistance under title XIII;

8 (C) in housing that is provided project-
9 based assistance under section 8 of the United
10 States Housing Act of 1937 (as in effect before
11 the effective date of the repeal under section
12 1601(b) of this Act) or pursuant to section
13 1601(f) of this Act, including new construction
14 and substantial rehabilitation projects;

15 (D) in housing that is assisted under sec-
16 tion 202 of the Housing Act of 1959 (as
17 amended by section 801 of the Cranston-Gon-
18 zalez National Affordable Housing Act);

19 (E) in housing that is assisted under sec-
20 tion 202 of the Housing Act of 1959, as such
21 section existed before the enactment of the
22 Cranston-Gonzalez National Affordable Hous-
23 ing Act;

1 (F) in housing that is assisted under sec-
 2 tion 811 of the Cranston-Gonzalez National Af-
 3 fordable Housing Act;

4 (G) in housing financed by a loan or mort-
 5 gage insured under section 221(d)(3) of the
 6 National Housing Act that bears interest at a
 7 rate determined under the proviso of section
 8 221(d)(5) of such Act;

9 (H) in housing insured, assisted, or held
 10 by the Secretary or a State or State agency
 11 under section 236 of the National Housing Act;
 12 and

13 (I) in housing assisted under section 515
 14 of the Housing Act of 1949.

15 (2) OWNER.—The term “owner” means, with
 16 respect to federally assisted housing, the entity or
 17 private person (including a cooperative or public
 18 housing agency) that has the legal right to lease or
 19 sublease dwelling units in such housing.

20 **TITLE XVII—AFFORDABLE HOUS-**
 21 **ING AND MISCELLANEOUS**
 22 **PROVISIONS**

23 **SEC. 1701. RURAL HOUSING ASSISTANCE.**

24 The last sentence of section 520 of the Housing Act
 25 of 1949 (42 U.S.C. 1490) is amended by inserting before

1 the period the following: “, and the city of Altus, Okla-
2 homa, shall be considered a rural area for purposes of this
3 title until the receipt of data from the decennial census
4 in the year 2000”.

5 **SEC. 1702. TREATMENT OF OCCUPANCY STANDARDS.**

6 The Secretary of Housing and Urban Development
7 shall not directly or indirectly establish a national occu-
8 pancy standard.

9 **SEC. 1703. IMPLEMENTATION OF PLAN.**

10 (a) IMPLEMENTATION.—

11 (1) IN GENERAL.—Not later than 120 days
12 after the date of the enactment of this Act, the Sec-
13 retary shall implement the Ida Barbour Revitaliza-
14 tion Plan of the City of Portsmouth, Virginia, in a
15 manner consistent with existing limitations under
16 law.

17 (2) WAIVERS.—In carrying out paragraph (1),
18 the Secretary shall consider and make any waivers
19 to existing regulations and other requirements con-
20 sistent with the plan described in paragraph (1) to
21 enable timely implementation of such plan, except
22 that generally applicable regulations and other re-
23 quirements governing the award of funding under
24 programs for which assistance is applied for in con-
25 nection with such plan shall apply.

1 (b) REPORT.—

2 (1) IN GENERAL.—Not later than 1 year after
3 the date of the enactment of this Act and annually
4 thereafter through the year 2000, the city described
5 in subsection (a)(1) shall submit a report to the Sec-
6 retary on progress in implementing the plan de-
7 scribed in that subsection.

8 (2) CONTENTS.—Each report submitted under
9 this subsection shall include—

10 (A) quantifiable measures revealing the in-
11 crease in homeowners, employment, tax base,
12 voucher allocation, leverage ratio of funds, im-
13 pact on and compliance with the consolidated
14 plan of the city;

15 (B) identification of regulatory and statu-
16 tory obstacles that—

17 (i) have caused or are causing unnec-
18 essary delays in the successful implementa-
19 tion of the consolidated plan; or

20 (ii) are contributing to unnecessary
21 costs associated with the revitalization; and

22 (C) any other information that the Sec-
23 retary considers to be appropriate.

1 **SEC. 1704. INCOME ELIGIBILITY FOR HOME AND CDBG PRO-**
2 **GRAMS.**

3 (a) HOME INVESTMENT PARTNERSHIPS.—The Cran-
4 ston-Gonzalez National Affordable Housing Act is amend-
5 ed as follows:

6 (1) DEFINITIONS.—In section 104(10) (42
7 U.S.C. 12704(10))—

8 (A) by striking “income ceilings higher or
9 lower” and inserting “an income ceiling high-
10 er”;

11 (B) by striking “variations are” and in-
12 serting “variation is”; and

13 (C) by striking “high or”.

14 (2) INCOME TARGETING.—In section 214(1)(A)
15 (42 U.S.C. 12744(1)(A))—

16 (A) by striking “income ceilings higher or
17 lower” and inserting “an income ceiling high-
18 er”;

19 (B) by striking “variations are” and in-
20 serting “variation is”; and

21 (C) by striking “high or”.

22 (3) RENT LIMITS.—In section 215(a)(1)(A) (42
23 U.S.C. 12745(a)(1)(A))—

24 (A) by striking “income ceilings higher or
25 lower” and inserting “an income ceiling high-
26 er”;

1 (B) by striking “variations are” and in-
2 serting “variation is”; and

3 (C) by striking “high or”.

4 (b) CDBG.—Section 102(a)(20) of the Housing and
5 Community Development Act of 1974 (42 U.S.C.
6 5302(a)(20)) is amended by striking subparagraph (B)
7 and inserting the following new subparagraph:

8 “(B) The Secretary may—

9 “(i) with respect to any reference in sub-
10 paragraph (A) to 50 percent of the median in-
11 come of the area involved, establish percentages
12 of median income for any area that are higher
13 or lower than 50 percent if the Secretary finds
14 such variations to be necessary because of un-
15 usually high or low family incomes in such area;
16 and

17 “(ii) with respect to any reference in sub-
18 paragraph (A) to 80 percent of the median in-
19 come of the area involved, establish a percent-
20 age of median income for any area that is high-
21 er than 80 percent if the Secretary finds such
22 variation to be necessary because of unusually
23 low family incomes in such area.”.

1 **SEC. 1705. PROHIBITION OF USE OF CDBG GRANTS FOR EM-**
2 **PLOYMENT RELOCATION ACTIVITIES.**

3 Section 105 of the Housing and Community Develop-
4 ment Act of 1974 (42 U.S.C. 5305) is amended by adding
5 at the end the following new subsection:

6 “(h) PROHIBITION OF USE OF ASSISTANCE FOR EM-
7 PLOYMENT RELOCATION ACTIVITIES.—Notwithstanding
8 any other provision of law, no amount from a grant under
9 section 106 made in fiscal year 1997 or any succeeding
10 fiscal year may be used for any activity (including any in-
11 frastructure improvement) that is intended, or is likely,
12 to facilitate the relocation or expansion of any industrial
13 or commercial plant, facility, or operation, from one area
14 to another area, if the relocation or expansion will result
15 in a loss of employment in the area from which the reloca-
16 tion or expansion occurs.”.

17 **SEC. 1706. REGIONAL COOPERATION UNDER CDBG ECO-**
18 **NOMIC DEVELOPMENT INITIATIVE.**

19 Section 108(q)(4) (42 U.S.C. 5308(q)(4)) of the
20 Housing and Community Development Act of 1974 is
21 amended—

22 (1) by striking “and” after the semicolon in
23 subparagraph (C);

24 (2) by redesignating subparagraph (D) as sub-
25 paragraph (E); and

1 (3) by inserting after subparagraph (C) the fol-
2 lowing:

3 “(D) when applicable as determined by the
4 Secretary, the extent of regional cooperation
5 demonstrated by the proposed plan; and”.

6 **SEC. 1707. USE OF AMERICAN PRODUCTS.**

7 (a) PURCHASE OF AMERICAN-MADE EQUIPMENT
8 AND PRODUCTS.—It is the sense of the Congress that, to
9 the greatest extent practicable, all equipment and products
10 purchased with funds made available in this division
11 should be American made.

12 (b) NOTICE REQUIREMENT.—In providing financial
13 assistance to, or entering into any contract with, any en-
14 tity using funds made available in this division, the head
15 of each Federal agency, to the greatest extent practicable,
16 shall provide to such entity a notice describing the state-
17 ment made in subsection (a) by the Congress.

18 **SEC. 1708. CONSULTATION WITH AFFECTED AREAS IN SET-**
19 **TLEMENT OF LITIGATION.**

20 In negotiating any settlement of, or consent decree
21 for, any litigation regarding public housing or rental as-
22 sistance (under title XIII of this Act or the United States
23 Housing Act of 1937, as in effect before the effective date
24 of the repeal under section 1601(b) of this Act) that in-
25 volves the Secretary and any public housing agency or any

1 unit of general local government, the Secretary shall con-
2 sult with any units of general local government and public
3 housing agencies having jurisdictions that are adjacent to
4 the jurisdiction of the public housing agency involved.

5 **SEC. 1709. TREATMENT OF PHA REPAYMENT AGREEMENT.**

6 (a) LIMITATION ON SECRETARY.—During the 2-year
7 period beginning on the date of the enactment of this Act,
8 if the Housing Authority of the City of Las Vegas, Ne-
9 vada, is otherwise in compliance with the Repayment Lien
10 Agreement and Repayment Plan approved by the Sec-
11 retary on February 12, 1997, the Secretary of Housing
12 and Urban Development shall not take any action that has
13 the effect of reducing the inventory of senior citizen hous-
14 ing owned by such housing authority that does not receive
15 assistance from the Department of Housing and Urban
16 Development.

17 (b) ALTERNATIVE REPAYMENT OPTIONS.—During
18 the period referred to in subsection (a), the Secretary shall
19 assist the housing authority referred to in such subsection
20 to identify alternative repayment options to the plan re-
21 ferred to in such subsection and to execute an amended
22 repayment plan that will not adversely affect the housing
23 referred to in such subsection.

24 (c) RULE OF CONSTRUCTION.—This section may not
25 be construed to alter—

1 (1) any lien held by the Secretary pursuant to
2 the agreement referred to in subsection (a); or

3 (2) the obligation of the housing authority re-
4 ferred to in subsection (a) to close all remaining
5 items contained in the Inspector General audits
6 numbered 89 SF 1004 (issued January 20, 1989),
7 93 SF 1801 (issued October 30, 1993), and 96 SF
8 1002 (issued February 23, 1996).

9 **SEC. 1710. USE OF ASSISTED HOUSING BY ALIENS.**

10 Section 214 of the Housing and Community Develop-
11 ment Act of 1980 (42 U.S.C. 1436a) is amended—

12 (1) in subsection (b)(2), by striking “Secretary
13 of Housing and Urban Development” and inserting
14 “applicable Secretary”;

15 (2) in subsection (c)(1)(B), by moving clauses
16 (ii) and (iii) 2 ems to the left;

17 (3) in subsection (d)—

18 (A) in paragraph (1)(A)—

19 (i) by striking “Secretary of Housing
20 and Urban Development” and inserting
21 “applicable Secretary”; and

22 (ii) by striking “the Secretary” and
23 inserting “the applicable Secretary”;

24 (B) in paragraph (2), in the matter follow-
25 ing subparagraph (B)—

1 (i) by inserting “applicable” before
2 “Secretary”; and

3 (ii) by moving such matter (as so
4 amended by clause (i)) 2 ems to the right;

5 (C) in paragraph (4)(B)(ii), by inserting
6 “applicable” before “Secretary”;

7 (D) in paragraph (5), by striking “the Sec-
8 retary” and inserting “the applicable Sec-
9 retary”; and

10 (E) in paragraph (6), by inserting “appli-
11 cable” before “Secretary”;

12 (4) in subsection (h) (as added by section 576
13 of the Illegal Immigration Reform and Immigrant
14 Responsibility Act of 1996 (division C of Public Law
15 104–208))—

16 (A) in paragraph (1)—

17 (i) by striking “Except in the case of
18 an election under paragraph (2)(A), no”
19 and inserting “No”;

20 (ii) by striking “this section” and in-
21 serting “subsection (d)”; and

22 (iii) by inserting “applicable” before
23 “Secretary”; and

24 (B) in paragraph (2)—

1 (i) by striking subparagraph (A) and
 2 inserting the following new subparagraph:

3 “(A) may, notwithstanding paragraph (1)
 4 of this subsection, elect not to affirmatively es-
 5 tablish and verify eligibility before providing fi-
 6 nancial assistance”; and

7 (ii) in subparagraph (B), by striking
 8 “in complying with this section” and in-
 9 serting “in carrying out subsection (d)”;
 10 and

11 (5) by redesignating subsection (h) (as amended
 12 by paragraph (4)) as subsection (i).

13 **SEC. 1711. PROTECTION OF SENIOR HOMEOWNERS UNDER**
 14 **REVERSE MORTGAGE PROGRAM.**

15 (a) DISCLOSURE REQUIREMENTS; PROHIBITION OF
 16 FUNDING OF UNNECESSARY OR EXCESSIVE COSTS.—Sec-
 17 tion 255(d) of the National Housing Act (12 U.S.C.
 18 1715z–20(d)) is amended—

19 (1) in paragraph (2)—

20 (A) in subparagraph (B), by striking
 21 “and” at the end;

22 (B) by redesignating subparagraph (C) as
 23 subparagraph (D); and

24 (C) by inserting after subparagraph (B)
 25 the following:

1 “(C) has received full disclosure of all costs
2 to the mortgagor for obtaining the mortgage,
3 including any costs of estate planning, financial
4 advice, or other related services; and”;

5 (2) in paragraph (9)(F), by striking “and”;

6 (3) in paragraph (10), by striking the period at
7 the end and inserting “; and”; and

8 (4) by adding at the end the following:

9 “(11) have been made with such restrictions as
10 the Secretary determines to be appropriate to ensure
11 that the mortgagor does not fund any unnecessary
12 or excessive costs for obtaining the mortgage, includ-
13 ing any costs of estate planning, financial advice, or
14 other related services; such restrictions shall include
15 a requirement that the mortgagee ask the mortgagor
16 about any fees that the mortgagor has incurred in
17 connection with obtaining the mortgage and a re-
18 quirement that the mortgagee be responsible for en-
19 suring that the disclosures required by subsection
20 (d)(2)(C) are made.”.

21 (b) IMPLEMENTATION.—

22 (1) NOTICE.—The Secretary of Housing and
23 Urban Development shall, by interim notice, imple-
24 ment the amendments made by subsection (a) in an
25 expeditious manner, as determined by the Secretary.

1 Such notice shall not be effective after the date of
2 the effectiveness of the final regulations issued
3 under paragraph (2) of this subsection.

4 (2) REGULATIONS.—The Secretary shall, not
5 later than the expiration of the 90-day period begin-
6 ning on the date of the enactment of this Act, issue
7 final regulations to implement the amendments
8 made by subsection (a). Such regulations shall be
9 issued only after notice and opportunity for public
10 comment pursuant to the provisions of section 553
11 of title 5, United States Code (notwithstanding sub-
12 sections (a)(2) and (b)(B) of such section).

13 **SEC. 1712. CONVERSION OF SECTION 8 TENANT-BASED AS-**
14 **SISTANCE TO PROJECT-BASED ASSISTANCE**
15 **IN THE BOROUGH OF TAMAQUA.**

16 For the Tamaqua Highrise project in the Borough
17 of Tamaqua, Pennsylvania, the Secretary of Housing and
18 Urban Development may require the public housing agen-
19 cy to convert the tenant-based assistance under section 8
20 of the United States Housing Act of 1937 to project-based
21 rental assistance under section 8(d)(2) of such Act, not-
22 withstanding the requirement for rehabilitation or the per-
23 centage limitations under section 8(d)(2). The tenant-
24 based assistance covered by the preceding sentence shall
25 be the assistance for families who are residing in the

1 project on the date of enactment of this Act and who ini-
2 tially received their assistance in connection with the con-
3 version of the section 23 leased housing contract for the
4 project to tenant-based assistance under section 8 of such
5 Act. The Secretary may not take action under this section
6 before the expiration of the 30-day period beginning upon
7 the submission of a report to the Congress regarding the
8 proposed action under this section.

9 **SEC. 1713. HOUSING COUNSELING.**

10 (a) EXTENSION OF EMERGENCY HOMEOWNERSHIP
11 COUNSELING.—Section 106(c)(9) of the Housing and
12 Urban Development Act of 1968 (12 U.S.C. 1701x(c)(9))
13 is amended by striking “September 30, 1994” and insert-
14 ing “September 30, 1999”.

15 (b) EXTENSION OF PREPURCHASE AND FORE-
16 CLOSURE PREVENTION COUNSELING DEMONSTRATION.—
17 Section 106(d)(13) of the Housing and Urban Develop-
18 ment Act of 1968 (12 U.S.C. 1701x(d)(12)) is amended
19 by striking “fiscal year 1994” and inserting “fiscal year
20 1999”.

21 (c) NOTIFICATION OF DELINQUENCY ON VETERANS
22 HOME LOANS.—

23 Subparagraph (C) of section 106(c)(5) of the Hous-
24 ing and Urban Development Act of 1968 is amended to
25 read as follows:

1 “(C) NOTIFICATION.—Notification under
2 subparagraph (A) shall not be required with re-
3 spect to any loan for which the eligible home-
4 owner pays the amount overdue before the expi-
5 ration of the 45-day period under subparagraph
6 (B)(ii).”.

7 **SEC. 1714. TRANSFER OF SURPLUS REAL PROPERTY FOR**
8 **PROVIDING HOUSING FOR LOW- AND MOD-**
9 **ERATE-INCOME FAMILIES.**

10 (a) IN GENERAL.—Notwithstanding any other provi-
11 sion of law (including the Federal Property and Adminis-
12 trative Services Act of 1949), the property known as 252
13 Seventh Avenue in New York County, New York is author-
14 ized to be conveyed in its existing condition under a public
15 benefit discount to a non-profit organization that has
16 among its purposes providing housing for low-income indi-
17 viduals or families provided, that such property is deter-
18 mined by the Administrator of General Services to be sur-
19 plus to the needs of the Government and provided it is
20 determined by the Secretary of Housing and Urban Devel-
21 opment that such property will be used by such non-profit
22 organization to provide housing for low- and moderate-in-
23 come families or individuals.

24 (b)(1) PUBLIC BENEFIT DISCOUNT.—The amount of
25 the public benefit discount available under this section

1 shall be 75 percent of the estimated fair market value of
2 the property, except that the Secretary may discount by
3 a greater percentage if the Secretary, in consultation with
4 the Administrator, determines that a higher percentage is
5 justified due to any benefit which will accrue to the United
6 States from the use of such property for the public pur-
7 pose of providing low- and moderate-income housing.

8 (2) REVERTER.—The Administrator shall require
9 that the property be used for at least 30 years for the
10 public purpose for which it was originally conveyed, or
11 such longer period of time as the Administrator feels nec-
12 essary, to protect the Federal interest and to promote the
13 public purpose. If this condition is not met, the property
14 shall revert to the United States.

15 (3) DETERMINATION OF FAIR MARKET VALUE.—
16 The Administrator shall determine estimated fair market
17 value in accordance with Federal appraisal standards and
18 procedures.

19 (4) DEPOSIT OF PROCEEDS.—The Administrator of
20 General Services shall deposit any proceeds received under
21 this subsection in the special account established pursuant
22 to section 204(h)(2) of the Federal Property and Adminis-
23 trative Services Act of 1949.

24 (5) ADDITIONAL TERMS AND CONDITIONS.—The Ad-
25 ministrator may require such additional terms and condi-

1 tions in connection with the conveyance under subsection
2 (a) as the Administrator considers appropriate to protect
3 the interests of the United States and to accomplish a
4 public purpose.

5 **SEC. 1715. EFFECTIVE DATE.**

6 This title and the amendments made by this title
7 shall take effect on the date of the enactment of this Act.

Passed the House of Representatives July 29, 1998.

Attest:

Clerk.